

France Will Expel 3 Soviet Diplomats In Ariane Espionage

By Edward Cody
Washington Post Service

PARIS — France ordered the expulsion of three Soviet diplomats Thursday, three weeks after the discovery of a spy ring that sought information on European space technology.

The expulsion order came at a particularly delicate time for Prime Minister Jacques Chirac. He returned from Washington earlier Thursday and is planning to visit the Soviet Union next month in another high-exposure trip likely to enhance his reputation as a statesman for the presidential campaign next year.

Against that background, the Foreign Ministry communiqué did not name the three diplomats being expelled and made no reference to the spy ring uncovered by the French counterespionage agency.

Following tradition, the ministry cited as the reason for expelling the Soviets only "activities unconnected to their mission and their status."

Foreign Minister Jean-Bernard Raimond, who had accompanied Mr. Chirac to Washington, summoned Ambassador Yakov P. Ryabov of the Soviet Union to hand over the expulsion order, giving the diplomats eight days to leave France, the ministry said.

A few days ago, Mr. Ryabov told French reporters there was nothing to the espionage allegations.

The spy ring was said to involve several French officials, a Russian-born wife and a jealous Romanian mistress.

French press reports, quoting counterespionage officials, said the espionage effort was controlled by Major Valerii Konovov. Major Konovov is listed at the Soviet Embassy as air attache, but Le Monde, the French daily, said he was identified as an agent of the Soviet military.

intelligence organization GRU on his arrival in September 1985.

The Soviet press agency Tass cited Major Konovov in an interview in Paris Wednesday as saying the French charges are a fabrication.

The counterespionage agency charged on March 16 that the seven persons were seeking "information, objects, documents or processes, the gathering and use of which could harm national defense."

The Interior Ministry said the ring appeared primarily interested in technology used in some motors for the French rocket Ariane, operated to lift satellites into space in association with the European Space Agency.

The Société Européenne de Propulsion manufactures advanced engines fueled by liquid hydrogen and oxygen for Ariane-4 and Ariane-5 rockets at a factory near

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Greek Parliament Set to Vote on Takeover of Church Land

From a gallery in Parliament, Greek Orthodox priests followed the debate Thursday on the controversial legislation backed by the Socialist government that will permit the state to control the church's landed wealth. The law would be put into effect in six months. On Wednesday in Athens, more than 40,000 protesters led by many priests demanded the withdrawal of the legislation.

Fears Widen for Moscow Embassy Security

By Stephen Engelberg
New York Times Service

WASHINGTON — Security in the U.S. Embassy in Moscow might have been so compromised that State George P. Shultz might not be able to hold conversations safe from eavesdropping inside the building when he visits the Soviet Union on April 13, administration officials said.

The possibility that advanced listening devices may have been placed throughout the embassy, including the most sensitive communications and meeting rooms, has been raised by the revelation that at least two marines assigned to the embassy's security detail allowed Soviet agents into the building.

The marines have admitted to

unauthorized socializing with Soviet women.

The officials said Wednesday they believed an American lawyer was involved in the Jonathan Ryall Pollard spy case, but the Israeli government has refused to allow the lawyer to leave Israel for questioning on his role in channeling Israeli payments to Mr. Pollard, according to sources.

Mr. Shultz will be in Moscow April 14.

The two marines charged with allowing Soviet spies into the embassy belonged to an elite guard battalion. The battalion commander said Wednesday that ranking officers rarely visited the Moscow embassy guards and regarded their supervision as a State Department job.

Administration officials said that because of concern that the agents had placed devices in the communications equipment in the Moscow embassy, the embassy was now being forced to halt all sensitive communications. Messages are now being flown by courier to Frankfurt, where they are transmitted to the United States.

The officials said it was not clear when the communications from Moscow would be resumed. They added that Mr. Shultz was expected to use the systems aboard his plane to transmit messages to the State Department.

Robert E. Lamb, the head of the State Department Bureau of Diplomatic Security, said other State Department communications in embassies around the world had not

been compromised because of the espionage case.

Administration officials said intelligence analysts assessing the extent of the damage were proceeding on a "worst case" assumption that the Soviets were able to read all of the coded communications sent from the embassy during the last year. But officials said American intelligence analysts had not yet found any conclusive evidence that proved the communications systems were compromised.

One official, who said the espionage case was potentially one of the most damaging in history, cautioned: "This could all turn out to be a tempest in a teapot. I hope so. But I doubt it."

Marvin Fitzwater, the White

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Pope Backs Presidential Vote in Chile

By Juan de Onis
International Herald Tribune

SANTIAGO — Pope John Paul II endorsed Thursday the Chilean opposition's demand for free presidential elections, hours after his presence at a rally for slum dwellers caused one of the largest public demonstrations against the regime of President Augusto Pinochet since the military took power 13

years ago.

The pope, addressing a meeting of Chile's 40 Roman Catholic bishops on the first full day of his six-day visit here, called for "adoption of measures in the not-distant future that will assure the full and responsible participation of the citizens in the nation's great decisions."

"The well-being of the country requires the adoption of these measures as valid instruments in favor of social peace in a Christian country," John Paul said.

Chilean opposition parties have demanded a free election with several presidential candidates, instead of the military plan to stage a plebiscite in 1989 in which General Pinochet is expected to be the only candidate. Voters would vote yes or no on giving him another eight years.

Earlier, the military government was denounced by a huge crowd,

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Senate Overrides Reagan's Veto Of Highway Bill

The Associated Press

WASHINGTON — The Senate rejected a personal, last-minute plea from President Ronald Reagan and voted Thursday to override his veto and enact into law an \$88 billion highway and mass transit bill.

The 67-33 vote provided exactly the necessary two-thirds majority necessary to override the veto. It capped two days of political struggle over the bill that both sides had portrayed as a crucial test of the president's leadership ability following months of revelations in the Iran-contra affair.

Mr. Reagan has been overridden on vetoes previously, most recently on a clean-water measure that Congress enacted into law over his objections earlier this year. But the decision by the White House to turn the highway bill veto into a test of Mr. Reagan's political standing gave Thursday's vote special importance.

Speaking before the vote, the Senate Republican leader, Bob Dole of Kansas, called it "historic" and said that it "may determine the strength of this presidency for the next 21 months."

After the vote, however, the chief White House spokesman, Marvin Fitzwater, denied that the defeat would damage Mr. Reagan's ability to govern.

Mr. Fitzwater quoted Mr. Reagan as reciting the *verse of an old Scottish ballad* as he met with Republicans before the vote: "I am wounded but not slain. I will rest awhile but I will rise and fight again."

Asked to respond to suggestions by some lawmakers that the loss would reduce Mr. Reagan's presidential clout, Mr. Fitzwater said:

Terry Sanford was caught in Senate crosswinds during the voting on highway bill. Page 3.

water said, "I think the context of the president's remarks is that he wanted to show that he's willing to fight." He added that "there will be no lame duckism" through the remainder of the Reagan administration.

The Senate voted narrowly to sustain the veto on Wednesday, but Democrats used a parliamentary maneuver to force reconsideration of the measure. Later in the day, Senator Terry Sanford of North Carolina, the lone Democrat to support Mr. Reagan, announced he was prepared to switch his vote.

In a move that underscored the importance he attaches to the issue, the president decided on short notice to leave the White House for the Capitol. He spent nearly two hours there, first meeting with all Republican senators, then with the 13 who sided with Democrats in the initial vote on Wednesday.

"The president is heightening the

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A U.S. Lawyer Is Linked to Pollard Case

By Howard Kurtz
Washington Post Service

GENEVA (Reuters) — The Duchess of Windsor's jewel collection attracted great interest when it went on auction Thursday night, with the final lots bringing 10 times their estimated maximum value.

Bidding for the first 32 lots rose in leaps of 100,000 Swiss francs (\$65,000) to fetch 5.5 million francs. The two-day sale of 306 lots had been expected to raise 11.25 million francs for the Pasteur Institute for medical research in Paris.

They said the order has effectively placed Mr. Katz beyond the reach of U.S. prosecutors because he lives in Israel, holds American and Israeli citizenship and is subject to Israeli law.

[Israel declined to comment on the reported connection with Mr. Katz, United Press International reported from Jerusalem. A Foreign Ministry spokesman said Thursday: "I can make no comment on Harold Katz. I have no information on Katz and therefore can make no comment on reports concerning him."]

The disclosure that the Israeli espionage ring may have included another person of American citizenship, in addition to Mr. Pollard and his wife, Anne Henderson-Pollard, is a major new development in the 16-month investigation.

Justice Department investigators say they believe that Mr. Katz holds the key to a host of unanswered questions about the extent to which Mr. Pollard's spying may have been sanctioned at top levels of the Israeli government.

Mr. Katz also may know whether top Israeli officials approved the payment of about \$50,000 to Mr.

Pollard, according to the sources.

The lawyer is the owner of a condominium apartment in Washington in which U.S. investigators say they believe the Israeli photocopied many of the classified military documents that Mr. Pollard provided. Mr. Katz purchased the apartment for \$82,500 in cash in March 1985, according to records.

Sources said the Justice Department is willing to grant Mr. Katz immunity from prosecution in exchange for his testimony before a federal grand jury in Washington.

After conferring with his client by telephone, Mr. Green said he was authorized to say that Mr.

Katz "is not involved in and knows nothing about the Pollard matter."

Mr. Green said Mr. Katz would have no further comment on the matter.

Asked about Mr. Katz's role and the Israeli government's alleged refusal to let him leave the country, an Israeli Defense Ministry official said in Jerusalem that the Pollard case "is now under investigation by two committees in Israel and we are not able to discuss anything

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including agreement on a timetable spelling out what tests the United States would conduct and when.

A second set of messages has to do with Mr. Gorbachev's agenda for change. Mrs. Thatcher left convinced that he was serious about it.

"Change is afoot," Mrs. Thatcher said. "That change is going in the direction of more openness."

She added that Mr. Gorbachev had told her that the human rights cases of divided families and Jewish emigration "will be looked at, hopefully with a positive result."

Finally, Mrs. Thatcher returns with a third message: Mr. Gorbachev can be trusted. In a toughly worded speech at a banquet in the Kremlin, Mrs. Thatcher defined a central premise of her trip, that Mr. Gorbachev had to show through the Soviet Union's treatment of human rights that it could be trusted on arms control.

In even stronger language, Mr.

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Gorbachev, Thatcher Strike Up Warm, Combative Relationship

By Howell Raines
New York Times Service

MOSCOW — After emerging from nine hours in the Kremlin Palace with a "remarkable insight" into Mikhail S. Gorbachev and his nation, Prime Minister Margaret Thatcher said she could

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not remember having spent so much time in discussion with a world leader.

On the flight home to London on Wednesday night, she went even further, saying that her talks in Moscow were the most valuable she had conducted in her eight years in office.

This helps sketch in the outline of a remarkable relationship — perhaps most admiring, argumentative but respectful — that seems to have blossomed just as the spring begins to touch the Russian capital.

Mr. Gorbachev may know whether top Israeli officials approved the payment of about \$50,000 to Mr.

At every opportunity for almost

Mrs. Thatcher said that, notwithstanding differences on the issue of the Soviet short-range missiles that threaten Western Europe, there is hope for a summit meeting between President Ronald Reagan

and Mr. Gorbachev and an agreement on medium-range missiles by the end of this year.

Mrs. Thatcher indicated that she also saw signs of some flexibility in the Soviet view of the Strategic Defense Initiative, Mr. Reagan's plan for a space-based missile defense, as an obstacle to arms control.

According to her, Mr. Gorbachev agreed to take under advisement her suggested compromises.

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See THATCHER, Page 2

In France, New Works by 2 Writers Lament Demise of Intellectuals

By Richard Bernstein
New York Times Service

PARIS — He is known just by his initials, B.H.L., in the way some of the legendary film actors of France, like Fernandel and Raimu, used to be called only by single names, which were emblems of nationwide recognition.

Bernard-Henri Lévy, the writer and philosopher, is not a movie star. But he is often pictured in the glossy French magazines in carefully framed profile, or staring slightly downward at the camera with a look of calculated intensity in his eyes, his long hair silhouetted against background lights and his shirt unbuttoned nearly to the waist.

Now Mr. Lévy has created new controversy, by publishing two weeks ago a slender volume called "Eloge des Intellectuels," or "Elegy for the Intellectuals."

The book is both a lament and an accusation against his own kind, in

which he argues that the serious thinkers on moral and political issues in France have in recent years lost their historic role. They are suffering a "disgrace, a discredit, a muted disqualification" such that France, the country that invented the concept of the intellectual, "does not know what to think of them anymore."

"Intellectuals are neither hated nor vilified nor even really denounced," Mr. Lévy writes, lamenting past days when French political thinkers were taken seriously enough to be made to suffer for their ideas.

"Elegy for the Intellectuals" is

Europe's Triangular Initiative

Strategic Interests Uniting London, Paris and Bonn

By James M. Markham
New York Times Service

BONN — A new triangular relationship among Britain, France and West Germany has been forged as the leaders of the three nations seek to define their strategic interests vis-a-vis Washington and Moscow.

The biggest incentive for the three major West European nations to coordinate their defense thinking has been the prospect of a superpower agreement that would remove medium-range missiles from Europe, an eventuality that is viewed with a certain disquiet.

Yet the tentative alignment of Western Europe's two nuclear powers and West Germany, which has foreseen nuclear weapons but which marshals the biggest conventional forces within the North Atlantic Treaty Organization, is also the fruit of longer-term developments, according to officials and academic analysts in Bonn, Paris and London.

One has been a vigorous commitment by President François Mitterrand to make France a champion of a more tangible European identity in security matters. An abiding French concern has been to combat neutralist currents in West Germany and to ensure that it remains embedded in the West, not turned to the East.

Yet in official French circles a feeling has grown that an intense special relationship with West Germany has reached, in the words of a new study, "a kind of historical plateau."

A touch of disillusionment with Bonn has refocused French attention on the need for deeper ties with London, which like Paris is troubled by the implications of eventual superpower pacts for its nuclear deterrent.

Prime Minister Margaret Thatcher of Britain, perhaps the

most conspicuous practitioner of the new triangular diplomacy, has presided over an evolution of elite opinion in Britain that has nudged the country away from insularity and toward a greater engagement with Europe.

She and her advisers have been quick to grasp that her clout and

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domestic prestige are greater when she can claim to speak for Europe and not just Britain.

Accordingly, Mrs. Thatcher paid highly visible calls on Mr. Mitterrand and Chancellor Helmut Kohl of West Germany before setting off last week for her meeting with Mikhail S. Gorbachev in Moscow.

She had conducted similar soundings before meeting in November with President Ronald Reagan, when she presented European concerns about the direction his program for a space-based missile defense was taking.

On Saturday, five days after Mrs. Thatcher's arrival in Bonn, Mr. Kohl conferred with Mr. Mitterrand at a Lorraine Valley chateau and assured journalists that "the common viewpoints of the French, Germans and Britons are supported by other European countries." It was a practical step in this three-cornered diplomatic minuet.

The "European" position on medium-range missiles has been a hybrid of a profound French reluctance to use U.S. Pershing-2 and cruise missiles withdrawn and a certain West German enthusiasm, at least in the Foreign Ministry in Bonn, for such an undertaking.

Since France has no U.S. missiles on its territory and is not a member of NATO's integrated military command, President Mitterrand and Prime Minister Jacques Chirac evidently realized that

French intransigence on this issue was making Paris look a bit silly. They silenced Defense Minister André Giraud, who had been muttering ominously about a "Munich" of nuclear appeasement.

Retreating to a better line of defense, Paris, London and Bonn have agreed to take a tough stand on the question of Soviet short-range missiles aimed at Western Europe.

Mr. Mitterrand has compared these highly accurate weapons to a "second wagon" of a train that has to be connected to the first wagon of a superpower accord on medium-range missiles.

The key European characterization of a medium-range agreement is that it must be "controlled," meaning that Pershing-2s and cruise missiles must be drawn down over a long enough period of time to make certain that the Soviet superiority in shorter-range missiles is also being eliminated.

Beyond the medium-range missile issue, France and Britain have already agreed to informal discussions on their strategic forces.

In a speech in London last week, Raymond Barre, an undecorated conservative candidate for the French presidency, went further and called for a "new French-British entente cordiale" that could extend to shared targeting for the two nations' nuclear submarines and even to "the joint construction of new weapons."

These are heady thoughts coming from France, which in the days of Charles de Gaulle treated Britain as a pariah, an American Trojan horse in Europe.

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Sanford Gets Caught In Senate Crosswinds

In Fierce Fight Over Highway Bill, He Switches His Vote Three Times

By Edward Walsh

Washington Post Service

WASHINGTON — Terry Sanford stood on the Senate floor, surrounded by a dozen of his Democratic colleagues. In their midst was Alan K. Simpson of Wyoming, the Republican whip.

It was early Wednesday afternoon, and the tally on the Senate decision to override President Ronald Reagan's veto of the \$87.5 billion highway and mass transit bill stood at 66 votes for the override and 32 against. Only Mr. Simpson and Mr. Sanford had not voted, but Mr. Sanford, Democrat of North Carolina, held the key. The 57th

vote would defeat Mr. Reagan. The public and private ordeal of Terry Sanford, a former university president, former governor and now freshman senator, was about to begin.

Before it ended, he had become the central figure in a fierce political fight of war between the White House and the Democratic-controlled Congress. Within a matter of hours, he came down on three sides of the issue, first voting present, then to sustain the veto and finally to override.

"I think I have done my duty, I think I have kept my word, I think I have served my country," he said in declaring his final position.

As Mr. Simpson described the scene on the floor, Democrats were pressing Mr. Sanford with the theme of "loyalty, loyalty, loyalty." Mr. Simpson said he asked the freshman Democrat whether he had made any promises about how he would vote and Mr. Sanford replied that he had.

"As a friend, five years from now they won't even remember the issue, but just what you did," Mr. Simpson recalled telling Mr. Sanford. "You're too classy a guy to get caught in that trap."

Mr. Sanford confirmed later that he had told officials in North Carolina and in Washington, including the Senate majority leader, Robert C. Byrd, Democrat of West Virginia, and Transportation Secretary Elizabeth Dole, that he would vote to sustain the veto. He said he was unhappy with the bill's highway funding levels for North Carolina.

But at the critical moment, instead of voting to sustain, Mr. Sanford voted present. Two minutes later he switched, voting to sustain as he had promised, giving the president his victory.

After his vote to sustain, Mr. Byrd maneuvered to get the issue reconsidered.

Mr. Sanford said that the president called him but that he was out of the office at the time. He said he detected "a sense of outrage" among the House members, including North Carolina Democrats, who contacted him. He met privately with Mr. Byrd and Senator George J. Mitchell, Democrat of Maine.

Mr. Sanford was called, too, by state officials in Raleigh, including the Democratic lieutenant governor, Robert B. Jordan, who suggested that perhaps North Carolina did not fare so badly in the bill after all.

At 3:10 P.M. Wednesday, Mr. Sanford rose on the Senate floor to explain where he stood.

He portrayed the initial Senate vote to sustain the veto as a victory for Mr. Reagan and said he was glad to have played his part.

"We have proved that the president is going to be effective for the remainder of his term," he said.

While he remained dissatisfied with his state's treatment in the bill, Mr. Sanford continued, "I began to think of my position not just as a senator from North Carolina but a United States senator."

He said he began to think of the "broader picture," particularly the threat of higher unemployment if there was a slowdown in highway construction and agreed to support reconsideration of the attempt to override the veto.

Still, Mr. Sanford said, "I intend to see that North Carolina gets its fair share. That is the point I wanted to make and I think I've made that point."

Mr. Sanford was back in the Democratic fold. However, the big question remained how he had gotten into this position, beginning with the vote of present that suggested he could still be turned around by enough pressure.

At a later news conference, he tried to explain, saying that he wanted Mr. Simpson to vote ahead of him. He apparently hoped that Mr. Simpson, a strong supporter of the 65 mph (105 kph) interstate highway provision that would die with the vetoed highway bill, would vote to override Mr. Reagan.

Mr. Sanford said he got some "bad advice," but was quickly per-



Terry Sanford, leaving a Washington press conference.

suaded by more senior colleagues

that a vote of present "wouldn't stand."

"Let's say I was slightly confused," he said. He denied that he had cast three different votes and

dismissed suggestions that other senators would now question whether they can count on his word.

"I think my position is absolutely solid," Mr. Sanford said.

U.S. Refuses to Sell Cargo Planes to Iraq

By David K. Shipley

New York Times Service

WASHINGTON — The Reagan administration has turned down a request from Iraq for American-built C-130 cargo planes and artillery radar, according to American officials.

But it is continuing to provide the Iraqis with intelligence data on Iranian deployments in the Iran-Iraq war.

This approach to Iraq seems designed to prevent an Iranian victory and repair relations with Baghdad while avoiding direct American military entanglement in the war.

It is delicate and is made more complicated by the skepticism with which many Gulf Arabs now regard the formal declarations of American policy.

Neither Iraq nor the United States appears to be placing military matters at the heart of the two countries' relations.

But since the first disclosures in the fall that the administration had been violating its own avowed policy by selling arms to Iran, the Iraqis have expressed disappointment and indignation.

They have urged Washington to take concrete action to restore American credibility.

"I wouldn't say we have been subjected to a lot of pressure from Iraq on military equipment," an administration official said.

But since the first of the year, officials said, Iraq has renewed an earlier request for C-130 transport

planes, built by Lockheed. The United States refused to permit the purchase.

In addition, Iraq wanted to rent or borrow American-made artillery radar from Jordan, American officials said.

The equipment can track an artillery shell in flight and, using a computer to describe its path, determine the position of the enemy gun battery, an official said.

American arms sale agreements stipulate that the weapons are not to be transferred to third parties without Washington's approval.

Jordan has a reputation for being scrupulous about observing this restriction, officials said. When the request was made in this case, they said, Washington denied Jordan permission to make the transfer.

The requests were made to the U.S. Embassy in Baghdad, an American official said. "We told the Iraqis, 'No military equipment,'" he said.

But since the first disclosures in the fall that the administration had been violating its own avowed policy by selling arms to Iran, the Iraqis have expressed disappointment and indignation.

They have urged Washington to take concrete action to restore American credibility.

Officials who watch the arms business say they believe Iraq is well supplied and does not have any desperate equipment needs.

Despite the rejections, officials

say the United States continues to provide Iraq with intelligence information from spy satellites, as it

the Central Intelligence Agency were selling Iran weapons.

Iraq, which reportedly provides the United States with intelligence reports on Iranian weapons purchases, reacted favorably to a statement by Mr. Reagan Feb. 25 condemning Iran's continuation of the war and calling for an end to the fighting.

"We have frequently called on Iran's leaders to join in working toward a negotiated settlement as the Iraqis have repeatedly offered to do," Mr. Reagan said.

The Iraqi Foreign Ministry issued a statement welcoming the president's remarks.

The Reagan administration's approach to Iraq is part of a broad effort to re-establish American stature in the Gulf with diplomacy, public statements and a slightly increased naval presence. This grew out of a series of policy meetings on the Middle East in early February, an administration official said.

"We realized the United States seemed to be tiring away from our friends," he said. "We realized the need to become more active."

As one step, President Ronald Reagan ordered what the official called a "re-invigoration" of Operation Staunch, the campaign by the United States to dissuade other countries from permitting arms to be sent to Iran.

It was an effort that had been pursued by the State Department even while the White House and

Dutch Will Aid Cape Verde

Reuters

THE HAGUE — The Netherlands has agreed to finance a major land and water conservation program in Cape Verde, making it the biggest aid project in the West African island state. The Development Cooperation Ministry said Thursday. It is worth about \$11 million.

Town Meeting Malaise

Time-Honored New England Ritual Falls Victim to Apathy, Alienation

By Matthew L. Wald

New York Times Service

LITCHFIELD, New Hampshire — It took the town almost an hour to decide between the big \$54,000 six-wheel dump truck that Roland E. Bergeron said his Road Department needed to plow and maintain the roads, and the smaller \$25,000 model with automatic transmission and power steering.

Warren Adams, the chairman of the Planning Board, said the smaller one would do most of the same work and could be shared with the Recreation Commission in the summer.

This was at a town meeting, with democracy at its purest, most unpredictable and perhaps most troubled. It is an annual ritual that comes to hundreds of communities in five New England states.

The town meeting is still the dominant form of government in these small towns, but a few experts in government are beginning to wonder if it is not as anachronistic as the timing — pegged on the time of year when the snow has melted enough to make the roads passable but the fields still too muddy to plow.

Many are concerned that the town meeting, probably the most idealized form of government in the United States, is suffering from apathy and alienation.

Those factors were obvious in Litchfield, a bedroom community in southern New Hampshire's microchip belt, between Nashua and Manchester. The town has 4,600 residents and 2,300 registered voters.

At 7:30 on one Friday night, when Fire Chief Brent T. Lemire led the pledge of allegiance, only 148 adults were present. By 11:30, when a budget just shy of \$1 million was unanimously approved, only 76 remained.

Last week only 90 turned out to debate and approve a \$3.9 million school budget, which will contribute to a 20-percent tax increase this year. Some New England towns have had trouble gathering quorums and others have worried about special interest groups, such as town employees, packing the hall.

The moderator, Philip M. Reed, persevered through three hours and 57 minutes with humor and doggedness.

In remarkably civil tones, residents accused their neighbors of being spendthrifts or tightwads, argued over the legality of some items on the agenda, disagreed over what they had voted for last year and seemed to find it more difficult to focus on the issues at the evening wore on.

"From 7:30 to 9:30 you think, 'Isn't democracy wonderful,' and by 11:30 or midnight you're going to believe in the aristocracy of the intellectual," said Mr. Reed, who owns an insurance agency in Man-

chester. But the turnout disturbed him.

"It's such a precious right," he said. "For people not to use it, I find it frustrating."

As he spoke, clerks tallied the votes on the truck — the smaller one was approved, 123-38 — approved new rules for the town incinerator, raised hourly pay for unskilled labor to \$3 from \$4.50 and acceded to the police chief's request to add two patrolmen to the force, which now has three members.

"We're in the 11th hour," said Frank H. Bryan, a professor of political science at the University of Vermont, in a telephone interview from Burlington.

Mr. Bryan said that growth in the power of the state and federal governments at municipal expense, as well as changes in demography and attitudes, threatened the town meeting. He called the meeting "a great wellspring of understanding and tradition."

It is a tradition that those who attend meetings approach with a sense of pride, a tradition that has its roots in the Congregationalist beginnings of most New England towns.

It is used in New Hampshire, Maine, Vermont, Massachusetts and Connecticut. In 1975 the state legislature in Montpelier added town meetings to the list of permissible forms of government for communities under 10,000, but none there has chosen it.

The tradition is stronger in the smaller, geographically isolated towns. However, in Litchfield, a town whose first meeting was 40 years before the American Revolution began, it has fallen out of favor. This year only 7 percent of registered voters turned out.

Some towns have recently given up their meetings, partly because the communities have grown too large to make them manageable.

However, according to Mr. Adams, the more common problem is participation.

For two-career families and people who live in one town and drive long distances to work in another, "it's a different way of doing things," he said. "Their own leisure time is valuable."

If lack of interest, feelings of powerlessness or alienation take root at the local level, Mr. Bryan said, it has larger implications.

"Citizenship all over America is on the skids," he said. "We've lost the habit of it at the local level."

This is a loss of special poignancy in New England, he said, where the citizen can still go to a town meeting, vote and go home with something different.

"There's nobody on the evening news telling you why it worked or why it didn't, because you saw it yourself," he said. "That is how you learn to be a citizen."

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EUROPEAN TOPICS

Aldo Moro's Widow Revised Film Script

The script of a recent film about the murder of Aldo Moro by the Red Brigades was heavily edited by his widow and her views were incorporated into the harsh picture of the attitude of Italy's leading politicians at the time of Moro's ordeal, the Italian weekly *L'Espresso* reports. The script, including Eleonora Moro's notes, is to be published in a book later this month.

"The Moro Case," directed by Giuseppe Ferrara, created an uproar when it was released last fall. The Christian Democratic Party, of which Moro was president when he was kidnapped and killed nine years ago, said the film unfairly implied that Moro had been betrayed by cynical party members because they had refused to negotiate with the Red Brigades despite Moro's appeals in numerous letters.

The four handwritten pages by Mrs. Moro show the first script was more conciliatory than the final version containing her views. At her behest, the script writers cut several scenes showing Benigno Zaccagnini, then the Christian Democratic Party's secretary, visiting or calling Mrs. Moro to say the party was doing all it could to save her husband. "It never happened," she wrote. But she confirmed the accuracy of one scene showing how a black-bordered party statement deplored the former prime minister's death was prepared weeks before he was killed.

Traditionalists Ousted From French Parish

In Port-Marly, a Paris suburb, Roman Catholic parishioners

threw traditionalists out of the local church they had occupied since November. The traditionalists, who reject the modern liturgy of the church, had defied a court order to leave the church of Saint Louis and return it to the parish priest, identified only as Father Caro.

Only five squatters were present when about 20 parishioners, led by the mayor and Father Caro, moved into the church at dawn and began walling up doors and windows with boards and bricks. But the arrival shortly afterward of the Reverend Bruno de Blignières, the traditionalist priest, and his followers, touched off fistfights among the opposing faithful. The police intervened with tear gas and truncheons. Several people were hurt.

The traditionalists have vowed to return.

Around Europe

The days of the open-air Moscow swimming pool are threatened although public opinion may "have to be taken into account," according to Soviet officials. There is talk of replacing the Moscow pool with a cultural center, because moisture is seeping into the foundations of the nearby Pushkin art museum. For the last 27 winters, Moscovites have splashed around in the pool's warm water, which can hold up to 2,000 people, in half-hour shifts during crowded periods. Many of its three million annual users are expected to complain if the pool closes, because it is the only one open to the general public. Other Moscow pools are for members only.

A marijuana museum opened in Amsterdam this week, claiming to be the world's first. Among the



PEDAL PATROL — Two London bobbies patrolling on bicycles. Trials have shown that bikes enable officers to respond quicker to trouble, make the public more aware of police presence and help officers stay fit. The Metropolitan Police recently purchased 200 bicycles.

displays are samples of hashish and marijuana — chemically rendered unsmokable at police request. Visitors can view slides on how to grow cannabis and learn about smuggling methods "known to customs officers the world over." The Hash Museum was "founded to give people an insight into the world of cannabis," according to a press release, and to enable them to "understand better the enlightened attitude of the Dutch toward personal use" of hashish and marijuana. Although "soft drugs" are illegal in the Netherlands, small-scale selling of such drugs is tolerated.

— SYTSKE LOOLJEN

Malaysia Leader Facing Unexpected Crisis

By Barbara Crossette
New York Times Service

KUALA LUMPUR, Malaysia

— The coalition government of Prime Minister Mahathir bin Mohamad, re-elected by a record majority in August, is facing an unexpected crisis caused by a revolt in his own party.

The challenge comes from critics allied with his former deputy prime minister, Musa Hitam. It is reaching a peak as the party, the United Malays National Organization, prepares for a leadership vote on April 24.

At issue are Mr. Mahathir's handling of the economy, his responsibility for financial scandals involving government officials or institutions, and his personal style of leadership.

"Money is misused, power abused," Mr. Musa said in an interview this month. "We have to come out clean and open our books."

In a sense, diplomats and political analysts say, the confrontation is a test of whether another of Southeast Asia's home-grown, "modified" democracies can avoid falling under the long-term control of a single powerful individual.

Political reporters who cannot say so in the government-controlled press draw parallels to the rule of Ferdinand E. Marcos in the Philippines and to President Suharto of Indonesia.

Mr. Mahathir, a physician by training, is aware of these comparisons and dismisses them with sarcasm.

"How many people have I shot?" he asked reporters after opening a seminar this week.

"I have always said that I would relinquish my post as soon as the people no longer want me," he said in a recent interview here. "But that does not mean I like to be pushed off by people who have got ambitions. That's not our way."

The prime minister described his challengers as people who, thinking they are "getting on in years," fear

that if I stay too long they will miss their chances completely."

Because of Malaysia's political system, with parties based largely on ethnic groups and a constitution mandating that the head of government always be a Moslem Malay, defeat, chosen by fewer than 1,500 delegates from the state and local branches of the United Malays National Organization.

The challenge to his party leadership has come as a shock to Mr. Mahathir.

The party is the dominant member of the National Front coalition, which also includes ethnic Chinese, Indian and other parties. It holds its leadership election every three years, and these elections are normally polite, consensual events, with no surprises or confrontations.

This year, for the first time in the party's 30 years as head of all of independent Malaysia's governments, there is an open contest.

Mr. Mahathir and Mr. Musa, who came to power together in 1981 pledging "clean, efficient and trustworthy government," will not be in direct competition in the vote.

Mr. Musa will be defending his position as the party's deputy presi-

"I must admit that I am not a very friendly sort of person," the prime minister said. "I like to speak my mind, and because of that I don't become very popular."

Domestically, Mr. Mahathir has been a passionate defender of preferential economic and other programs for ethnic Malays, who have lagged behind the country's prosperous Chinese citizens. This has brought charges that he is intensifying racial and ethnic differences.

Internationally, he has been an advocate for the developing nations against what he believes is unfair treatment from industrial powers. He criticizes Zionism and the "Zionist-dominated" Western news organizations.

Mr. Musa said in the interview that such outbursts had cost Malaysia needed investment.

"Developed countries where we could hope for investment are called all sorts of names and are told off continuously," he said.

"Businesses can choose other countries where there is a welcome feeling," he said. "They are not welfare organizations that want to come here just for the sake of helping poor Malaysians."

Mr. Mahathir dismisses the allegation that he has hampered Malaysia's development. He says that the country's problems stem mainly from an across-the-board collapse of commodity prices worldwide.

Mr. Mahathir reflects only his opposition to an "extremist nationalism" manifested by some Jews.

"I'm not anti-Jew," he said. "Henry Kissinger was just here. We talk; we are friends. I have a lot of American businessmen who are my friends. They are Jews."

Mr. Mahathir said he had always been a strong advocate of foreign participation in Malaysia's economy.

"When other newly independent countries were nationalizing industries and telling foreigners to get out, we continued to welcome them," he said.

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LONDON THE CAPITAL'S HOTELS

Hotels make Strong Recovery from Summer of '86

Last summer, it was sometimes easier to get a hotel room in London than a taxicab in the rain. The escalation of international terrorism caused massive last minute cancellations. At one point, a leading luxury hotel actually closed one whole floor and other hotels resorted to equally desperate measures. One company chairman, staying in five-star luxury while his middle management were making do with 3-star austerity, was invited to move the team to his hotel - at exactly the same prices they were paying at the 3-star.

Luckily for London hoteliers, business soon picked up and so did their prices. In 1987, the hotel price index is still running well ahead of the retail price index, with the appreciation of sterling giving another boost to the seemingly inexorable rise in room rates. Not surprisingly, travellers are beginning to shop around, and only well-heeled businessmen with lavish expense accounts stick religiously to the top hotels.

It's the smaller hotels which have benefited. The Dorset Square Hotel opened in January 1986, and its delightful English house atmosphere has kept its 29 bedrooms full ever since. Located in two beautiful Georgian buildings overlooking a garden square near Baker Street, the hotel is still central but off the well-trodden tourist track. Kit Kemp, part owner with her husband

Tim, has her own design consultancy and so took over the interior decoration. It's spectacular. The sitting room is intimate and relaxing, with deep comfortable sofas and chintz arm chairs, a well stocked writing desk and an antique cabinet filled with drunks so that guests simply help themselves. Downstairs, the relaxed and informal Country Manners restaurant serves English food under the aegis of two talented young ladies known simply as Fran and Lucy.

In fact, small is definitely beautiful even at the luxury end of the market. Perhaps it's because frequent travellers grow weary of the anonymity of many of the giant chains. The latest of the mini-grands is the brand new Halcyon Hotel in Holland Park, with just 44 rooms, four poster, half tester and corona beds and one suite boasting a

conservatory. Its location - about ten minutes' cab ride from the West End - is especially ideal for those mixing business with pleasure, and in the summer it's just a stone's throw from one of London's prettiest parks. Don't be fooled by its quaintly old fashioned air, though.

On the one hand, there are traditional fresh chintzes and a splendid wood panelled hall.

But on the other, there's an extremely efficiently run, modern hotel - witness the jacuzzis and 24 hour room service.

"We want to be thought of as a private country or townhouse, and not as an hotel," explains manager Peter Beggs. "Our aim is to look after our guests as if they were in their own home, only better."

At the Gore in Kensington's Queens Gate, Aminge Dale-Thomas echoes Peter Beggs' views. "We are trying to be reasonably 'un-hotelly', whilst still offering the services you would expect in a good hotel," she declares. The Gore originally opened in 1908 and was known as the 'little Savoy' on account of its elegant atmosphere. But gradually its reputation declined. Eleven years ago, Aminge and her husband, Brian, bought the hotel and set to work restoring each of the 54 bedrooms. The results are charming. Each room is different,

and one or two are especially extravagant - such as the Venus Room with 18th century damask curtains and a splendid Italian Baroque bed which is rumoured to have belonged to Judy Garland. With its charming staff and friendly informality, the Gore also proves that you don't have to be big to be a success.

At the other end of the size scale are London's 14 luxury five star hotels. One which still manages to retain a friendly approach is *The May Fair*, owned by Inter-Continental Hotels Corporation - perhaps because it has always been something of an individual among grand London hotels. Until 1964, the majority shareholders were the Danziger Brothers, and with their connections in the film and theater world, *The May Fair* became the number one hotel for Hollywood stars visiting London. The 322 rooms are in four main wings, and include the fabulous Penthouse Suite with its own private lift and optional butler service. The Berkeley Wing is the least expensive, but that's only because the 146 guest rooms are not air-conditioned. But since London summers are not known for being particularly hot and sticky, it's a chance to stay in a de luxe hotel at well under 5 star

round off the feast the mouth-watering crêpes are a sheer indulgence.



A Touch of Class and London Elegance

members of Ranks' Reserve Club. There are other privileges, too, such as airport collection if requested, complimentary suit pressing for crumpled executives and a Telecommunications Center with an extremely efficient secretarial service. But where this exceptional hotel really buzzes is in its Pavement Café, popular with guests and locals alike. It's reminiscent of a Paris pavement café, especially those in arty Montmartre and the food is varied, inexpensive and different. The attractive young staff are dressed by Zandra Rhodes in predictably witty outfits - the girls wear giant green bows in their hair.

One of the largest private hotel groups in London is Sarova, with eight three star hotels scattered throughout the West End and residential areas of West London. And because they're three star, prices are kept down. For instance, a single room at *The Mossm* Hotel at Marble Arch is £62 compared to more than double at most of the five star hotels. The Sarova strategy is to maintain a consistently high group standard, whilst letting each hotel retain its individuality and charm. Recently, Sarova has been busily involved in complete renovation programmes at *The Green Park Hotel* and *The Regency Hotel* in Kensington, and both should be ready by early summer. All rooms will have trouser presses and hair dryers, and Claude's brasserie at *The Green Park*, with French chef and staff, promises to be well worth a special visit.

Among London's four star hotels, the delightfully traditional *Flemings Hotel* in Half Moon Street is worth noting. Established in 1835, it's decorated in authentic Edwardian style with 135 well-equipped bedrooms. Although Flemings is located in Mayfair's bustling center, the rooms are all beautifully quiet, very spick and span and prettily decorated in restful pastel shades. The food in the Langoustine Restaurant is a mix of International and French, but the emphasis is firmly on fish. Like a church of London's smaller hotels, Flemings is privately owned, and recently bought Down Hall, a comfortable country house hotel at Hatfield Heath in Hertfordshire. The splendid mansion, built in the late 19th century, overlooks an enormous manicured lawn and is set in 20 acres. Just over 30 miles from central London, it makes a perfect retreat for visitors who are staying over a weekend.

Rank Hotels' Royal Lancaster is another four star hotel, but on a very much bigger scale. There are, for instance, 418 rooms and - unlike the Pension Bertolini in Florence - all with a view. But the best look-outs are from the top four floors, which are kept exclusively for regular guests who are

of course, you don't have to stay in London to enjoy London life. A new favorite with visitors is *Alexander House*, located in Turners Hill just 15 minutes from Gatwick Airport and the mainline station, and only about half an hour from London. The house was once the family home of the great Romantic poet, Shelley, and stands in 11 acres of beautifully landscaped gardens. It's small, with just 6 single bedrooms and 5 suites, each comprising a spacious double bedroom, bathroom and sitting room.

The hotel has only been open a few months, but already boasts a tennis court and croquet lawn, a marvelous collection of paintings, superb antiques and fine finishing touches like Stuart crystal in the dining room and glorious Venetian silk curtains. With Glyndebourne just 23 miles away and Epsom and Ascot racecourses a mere gallop from the hotel, it's the perfect base for the London social season.

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OPINION

INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Committed to El Salvador

Salvadoran rebels demolished a supposedly impregnable base Tuesday, killing scores of soldiers, including a U.S. adviser. But the setback does not diminish the value or need for continued commitment to human rights and legitimate civilian rule in a country that has known little of either.

The battle and the deaths should not occasion debate about that basic American commitment. They should, however, draw Washington's attention back to a critical fact — \$1 billion in military aid and four years of training have failed to contain about 6,000 guerrillas who now control about one-third of the country. Stubborn problems must be addressed if crisis is not to return to El Salvador.

The picture is not all bleak. A decent Christian Democrat, President José Napoleón Duarte, may cap his achievements by turning over the presidency to a freely elected successor. The violent right has ebbed, death squad killings have nearly ceased and so have the bombings of rebel-held villages. Few now regard a guerrilla victory as inevitable after seven years

— THE NEW YORK TIMES.

Rethinking Surrogacy

In upholding the contract by which Mary Whitehead agreed to bear a child for William Stern, a New Jersey judge created a family and began to shape the law. It seems the right beginning for Melissa Elizabeth Stern, though the biological mother's pain still evokes sympathy. But does the decision indicate the proper direction for the law? That is now a question for searching debate.

Judge Harvey Sorkow started with lives — the baby's, the natural mother's, the father's and others — and with little law for guidance. He expressed frustration with the lack of precedent or statute in an area that raises such tangled ethical issues. New Jersey, he observed, has no law governing surrogacy contracts, and he decided adoption laws were no guide. A surrogate child's father remains willingly in the picture, unlike most adoption situations.

The judge ruled that surrogacy contracts were valid in New Jersey, but not automatically enforceable. Of crucial importance in deciding whether or not to enforce, he said, is "the best interest of the child." Applying that familiar doctrine, the judge had no trouble finding the Sterns better suited to provide the baby with "stability and peace."

Unfortunately, the language of his ruling can only diminish her natural mother's stability and peace. "Mrs. Whitehead is manipulative, impulsive and explosive," the judge declared. Mrs. Whitehead is also a woman who made a tragic error and compounded it with foolish actions and foolish lies, and lost a daughter. She is more deserving of sympathy than of so heated a tongue-lashing.

Judge Sorkow properly made clear that he ruled only on the case of the Sterns and Mrs. Whitehead. He stressed the lack of legislative guidelines and challenged the public and lawmakers to provide them. The surrogate motherhood industry is not going to go away. Female infertility is rising, and

— THE NEW YORK TIMES.

Sunflowers in the Dark

Vincent van Gogh made practically nothing off his paintings. When he ended his unhappy life by his own hand in 1890, most of his works were still stacked up unsold in the home of his brother, an art dealer. This week, one of those works — a picture of some sunflowers for which van Gogh had thought he might get 50 francs — was auctioned in London for \$39,92 million.

Some art lovers might well argue that that is not such an outrageous price for a masterpiece, considering the mundane nature of some other things that \$39.92 million could purchase: one mile of interstate highway, two F-16 fighter planes or the Seattle Mariners baseball team, which not only cannot paint masterpieces but can't paint baseball very well either.

Most of the art world, however, was somewhat alarmed, if also thrilled, by the spectacle at the Christie's auction house: Jittery guards bringing forth the painting as if it were a holy relic; anonymous bidders in distant parts of the world raising the ante £500,000 (\$805,000) at a time via telephone hookups; a fancy, jaded crowd growing feverish with excitement as the price mounted quickly to more than three times the previous high for a work of art.

Van Gogh painted five large pictures of sunflowers, and some are in better shape than the one sold this week, whose original

— THE WASHINGTON POST.

Other Comment

Mixed Signals on Afghanistan

The Soviets have been sending contradictory signals about their intentions in Afghanistan. While Moscow's position on the timetable for a troop withdrawal has become more flexible in UN-sponsored negotiations between the puppet regime in Kabul and Pakistan, Soviet aircraft flown by Afghan Communists have been bombing refugee communities in Pakistan and along the border with Iran.

The Kremlin's genocidal war against the Afghan people has become an international

— The Boston Globe.

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In Moscow, An Anxious Look Ahead

By William Pfaff

MOSCOW — "Our backwardness has thrust us forward," Lenin wrote in April 1918, confronted with the paradox that his revolution had occurred in peasant Russia rather than industrial Western Europe. "We shall perish if we are unable to hold out until we meet with the mighty support of other countries."

The support never came. The Socialist uprising in Germany in January 1919 was quickly put down. Hungary experienced a few weeks of Communist rule under Béla Kun, from March to August 1919, before it was put down by foreign military intervention.

Communist Russia was left alone, challenging the world.

It was a challenge without content until World War II, when the defeat of Nazi Germany gave the Soviet Union control of Eastern and East-Central Europe. Russia suddenly was seen as a superpower — what it had always claimed to be of the two possible models for modern society.

The idea was false. Since 1945, the Soviet Union has not been a serious competitor to the Western powers, though it has large military forces and influence among some political movements of the non-Western world.

In industrial production, Russia has fallen behind Japan. Most of its production lies in largely obsolescent industries, wholly uncompetitive on world markets. The nation is governed in an unwieldy fashion, bureaucratized, police-ridden, its standard of living below those of even some East European states under Soviet control.

Until the 1980s, it was possible for Soviet leaders to imagine a breakthrough. With the oil-price crisis of 1973, they thought the Western industrial economies would at last be broken and the Soviet Union could pull ahead. It did not happen.

The Soviet military promised that if it was given the resources, the Western powers could be intimidated. The SS-20 missile challenge was supposed to distance Western Europe from the United States. Nothing of the kind occurred. The Soviet arms buildup undermined détente and provoked the Reagan administration's military buildup and the Strategic Defense Initiative, opening a stage in the arms race in which the Soviets find themselves at immense technological and industrial disadvantage.

Mikhail Gorbachev now is making



Through the Looking-Glass

a practical man's choice. He either accepts stagnation, and lies about the country's condition, as was done under Leonid Brezhnev, or he attempts serious economic and political reform and tells the public the truth, more or less, about the Soviet Union's situation.

His position is stronger than many analysts have indicated because those who oppose his policies have no positive alternatives to offer.

A writer in Moscow Now, the Novosti Press Agency weekly that has become an important medium for the reformers, argued recently for a return to "soviet" power, that of the workers' councils that originally were supposed to be the basic politico-economic unit in the Soviet Union.

"We do not need reminiscences of the Great Revolution for their own sake," the writer said, referring to the 70th anniversary of the revolution, which occurs this fall.

The key question in any revolution, the writer said, "is that of power. ... The ideal of the October Revolution is the participation of all working people in the running of society's affairs. This idea could not be realized at once due to the appalling lack of culture in the masses of people — one of the gravest legacies the Russia of the bourgeoisie and landlords left to the revolution."

Now, the writer said, the people have been educated, but "the October Revolution's ideal of the general involvement of people in running the affairs of the state has not been fully

achieved. The momentum was lost."

It was indeed. But can Mr. Gorbachev's "reconstruction" and glorification of openness, restore it?

The economic indices are much better at the end of Mr. Gorbachev's second year in power. However, this has been achieved without changing the managerial system. He thus far has simply made existing methods work a little better, with less waste, drunkenness, diversion of materials and disregard for the general good.

Multiple-candidate elections are supposed to take place in local government voting this summer, as an experiment. This means change, certainly, although not automatically in the direction of economic efficiency.

The economic and technological renovation that Mr. Gorbachev wants will not come about from administrative tinkering, talk and drying up the supply of vodka. Glasnost, historically, is a charged word. It suggests the rule of law, even if the form of that law is remote from the democratic law of the West. It implies telling the truth about where the country and the people really stand, and about what really went on in the Soviet Union during the seven decades since the October Revolution.

To tell the truth means taking risks, but risks to which there now are no alternatives, wherever it may lead. Many in Moscow are very frightened of where it may lead.

International Herald Tribune

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Irangate: Two Remedies Can Prevent a Repetition

By Walter F. Mondale

WASHINGTON — It will be some time before we know the full story behind the Iran-contra affair. We still do not know the answer to the two main questions: Who, in positions of responsibility, knew about and approved this scheme? And what happened to the money?

But we know enough to conclude that two fundamental legal remedies must be adopted to prevent future abuses. The first would explicitly outlaw the practice of the White House and the National Security Council conducting covert operations.

The second would outlaw the "private government" strategy by which government leverage is used to raise

funds from foreign governments and others. These funds are then treated as purely private and expended in any way the government orders without any legal accountability.

The Justice Commission, in its report, made no such recommendations. But it may be that it did not want to allow President Reagan to avoid making the administrative changes needed to bind his administration by endorsing specific legislation designed to bind only future presidents.

The history of governmental abuse teaches us to adopt reforms while the public is still angry about the abuses. Thus, Watergate led to the adoption of campaign finance reforms and the creation of the independent counsel's office. Similarly, the disclosure of widespread abuses within the U.S. intelligence agencies led to the creation of the intelligence oversight committee in the House and the Senate, the legal requirement that covert actions must be reported to Congress, the enactment of the electronic surveillance bill and the provision for a single, 10-year term for the director of the Federal Bureau of Investigation. Many of these reforms have helped in sorting out the Iran affair.

History also teaches that such scandals, unfortunately, will recur. But we can at least reduce their likelihood and provide a better legal framework for discouraging their repetition and preventing such facts.

This is the 200th anniversary of the U.S. Constitution. The key strategy of the nation's Founding Fathers was based on the checks and balances designed to confine each branch of government to its own jurisdiction and to demand accountability of all public officials to the law and to the truth. As Madison said, ambition was to be pitted against ambition.

Secret government, beyond the reach of the law and beyond accountability to the courts and Congress and thus to the public, was anathema

Behind Gorbachev's Shift on 'Star Wars'

By Charles McC. Mathias Jr.

WASHINGTON — Why has Mikhail Gorbachev offered to reduce the number of intermediate-range nuclear weapons in Europe without a prior American agreement to restrain "star wars," when so often before he had refused to do so?

Whatever the real answer, there were hints of important changes in thinking in February when, along with other directors of the New York City-based Council on Foreign Relations, I visited Moscow and met with Mr. Gorbachev, other leading officials and the dissident Andrei Sakharov.

In discussing arms control negotiations, the officials said that the stylized procedures that have become standard in Geneva and elsewhere have stymied the talks. They said that the process should be less formal. So it should come as no surprise that they changed their track.

There were also hints that the new approach would involve a change in thinking about President Reagan's Strategic Defense Initiative — that is, "star wars." It became clear in some conversations that officials as well as Dr. Sakharov not only fiercely opposed the SDI but also were profoundly skeptical that an effective defense system was possible.

They also offered an economic argument that, while it is, was so rooted in common sense that Americans would accept it too: The cost of adding offensive missiles was vastly smaller than the cost of defensive measures necessary to detect missiles. In their minds, the multi-billion-dollar cost of the space stations required for SDI contrasted with the relatively modest price tag on a relatively small, but effective, "star wars."

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It was thus possible for the Soviets to make a gesture that would appear in America to be a substantial concession. At the same time, the evolution of thinking about "star wars" in the Soviet Union meant that informed circles there would not be unduly concerned about the concession.

Dr. Sakharov made the point that the Soviet Union should not link SDI and arms control and that in response the United States should not force the pace of SDI deployment.

Given such considerations, the stage was set for General Secretary Gorbachev to change signals. Apparently, he was disposed to do just that. Although he deplored the squandering of what he saw as an opportunity for arms control at the Reykjavik summit meeting with President Reagan, he told us that he saw a possibility to move forward anyway, which he did several weeks later. And as the arms control talks at Geneva have a new lease on life and new objectives,

The writer, a Republican, retired as Maryland senator in January and now practices law. He contributed this comment to The New York Times.



When the Object in Dispute Is a Child

By Richard Cohen

WASHINGTON — When philosophy was mute and religion tongue-tied, a judge of New Jersey's lowest court turned loquacious. Faced with the Gordian knot of Baby M case, Judge Harvey Sorkow took the sword of contract law and smashed everything in sight. In the end, his decision came down to this: A deal is a deal. This is how Baby M became Melissa Stern and is not required to be confirmed by the Senate, so its members would not be expected to testify and report to Congress; they also could avoid the press.

Similarly, the funds raised by government leverage — such as those raised from the governments of Saudi Arabia and Brunei — could be spent outside the appropriation process, thus avoiding the constitutional prohibition against the expenditure of public funds except by appropriation.

Those who believed these funds could be spent despite the statutory prohibition then in force against spending public money in aid of the contra rebels.

The artifice here, of course, was to characterize what are really public funds as private money. This was a new trick that needs to be outlawed. If funds are so raised, they should be declared public funds to be deposited in the U.S. Treasury. How could these funds be called private when the administration obviously used its governmental leverage to raise them?

The Saudi and Brunei governments did get their AWACS airplanes. Brunei was approached on the authorization of none other than the secretary of state. How much money would President Reagan, Secretary of State George Shultz and Lieutenant Colonel Oliver North have raised from Saudi Arabia and Brunei if they were not in office?

If this new strategy to avoid the constitutional restraints on the executive is not outlawed, is there any end to what future presidents might try? If, in the face of this record, Congress does not act, future presidents surely would argue that Congress by its inaction condones such activity.

The president tells us that he has prohibited the National Commission on Conduct from conducting operations. But unless future presidents are prohibited by law from doing so again, they can simply change their orders. The Lord takes it away — and the Lord can also give.

History also teaches that such scandals, unfortunately, will recur. But we can at least reduce their likelihood and provide a better legal framework for discouraging their repetition and preventing such facts.

It could be that everything that could go wrong in this case did — that it is an extraordinary example of surrogate motherhood, not an ordinary one. But the longer the trial stayed in the news, the harder it was to believe that. As television explored the issue, some surrogate mothers

admitted to wrenching second thoughts, and ethicists and theologians raised weighty issues: What if the baby is born deformed? Does the contract come with a warranty?

We watched Mary Beth Whitehead as she performed mothering for court-appointed observers. She played party games wrong; she hugged the child too much and she had a hard time distinguishing her own needs from that of her child. She was, in short, a disaster as a mother, a frantic woman not up to her Spock. She was outclassed in a mothering competition by another woman who had, in addition to a medical degree, something more important: possession of the baby. Mrs. Stern could be relieved. She could ration her hugs.

But where was the sympathy for Mrs. Whitehead? Where in the decision did the judge empathize with a

Chad Forces Pursue Retreating Libyans

By Jonathan C. Randal
Washington Post Service

NDJAMENA, Chad — Chad's lightly armed desert forces are pursuing thousands of retreating Libyan troops northward in an attempt to drive them out of the contested Aozou Strip that runs along the frontier between Chad and Libya.

Dispirited by successive Chadian victories that have cost an estimated 3,655 Libyan deaths since Jan. 1, Colonel Moammar Gadhafi's forces were reported Wednesday to be setting up defensive lines in the far northwest, just south of the 42,000-square-mile (108,570-square-kilometer) strip that Libya annexed in 1973.

But Western diplomats reported that President Hissene Habré, buoyed by his victories in the past two weeks, was intent on recapturing the strip. Although a reliable geological survey is not available, the area is believed to be rich in minerals.

The diplomats brushed aside suggestions that Libyan communications lines now were so much closer to bases in southern Libya that Mr. Habré's forces were dangerously vulnerable to air attack.

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INTIMATE JEWELS IN THE ULTIMATE SHOWCASE

GENEVA GEMS

GENEVA has few peers when it comes to the business of gems and jewelry. This small, sober city of impeccable order and conservative taste ranks right up there with New York in the buying and selling of diamonds and other precious stones. What's more, it is the world's jewelry auction capital. This week it sheds its Calvinist reserve to welcome big spenders and incurable romantics from around the world to what is being touted as the "sale of the century" — that of the Duchess of Windsor's jewels.

The same discretion, stability and security that draw private bankers, multinational business leaders and heads of state have long attracted the jewelry trade, but those aren't the only reasons. Traders, auctioneers, retailers and dealers — not to mention the bejeweled — all know Switzerland is a virtually free marketplace in which precious merchandise easily enters and leaves with minimum fuss. Moreover, non-residents pay no tax on goods purchased and import duty is based on weight. In Switzerland, there is little difference between a diamond and a bicycle.

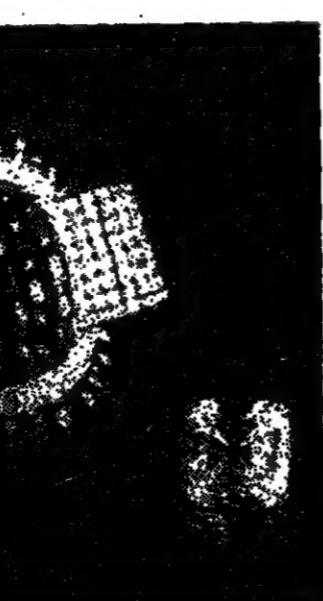
As for Geneva, its tradition in watchmaking, jewelry and enameling dates back to the 17th century. Auctions, however, got their start in the 19th century — 1874 to be precise — when the 1,000-piece collection of jewelry left by Duke Charles of Brunswick, one of Geneva's most courageous expatriate residents, was sold by a local auctioneer.

"Geneva became important because everyone comes here to buy," says Theodore Horowitz, one of the world's foremost traders and brokers of precious gems. An important international trading center since the Middle Ages, modern Geneva first attracted the diamond deal-

ers who arrived in the early 50s. Harry Winston was the first of the international big names to arrive in 1955, yet Geneva today boasts a heavier concentration of prestigious jewelers than either Paris or London. Last to arrive were the international auction houses. The extraordinary sale of the jewels of Nina Dyer (ex-wife of Baron Heinrich von Thyssen and Prince Sadruddin Aga Khan) by Christie's in 1969 was an important milestone.

Christie's was joined by Phillips in 1975 and in 1978 by Sotheby's which had previously conducted sales in Zurich. There is also a handful of Swiss auction houses that hold sales here, most notably Zurich-based Koller and Antiquorum, Geneva specialists in rare pocket watches. Today the auctions of jewelry and small precious objects held each May and November are major social and news events.

Nothing so far matches the auction of the Windsor jewels, the profits of which will go to the Institut Pasteur. "Never have we held a sale of this size and interest," said Nicolas Rayner, chairman of Sotheby's



Above, the Duke and Duchess of Windsor, photographed by Cecil Beaton at the Château de Cande the day of their marriage, June 3, 1937. The Duchess wore the Van Cleef & Arpels bracelet and the Harry Winston ring, shown left. Other of her jewels to be auctioned by Sotheby's April 2-3 are a Van Cleef & Arpels necklace and Cartier earrings (right). Above left, Hans Nadelhofer, director of Christie's Geneva. Above right, Jacques Mayer, owner of Hôtel Beau Rivage, and Nicolas Rayner, director of Sotheby's Geneva. Top, chameleons hangs by Cartier to be auctioned by Christie's in May.

of 4,000. Furthermore, he took 125 of the most spectacular pieces on a pre-sale tour of Palm Beach and New York.

The auction, which is being held in a tent on the lakefront just across the street from Sotheby's headquarters in the Hôtel Beau Rivage, was expected to

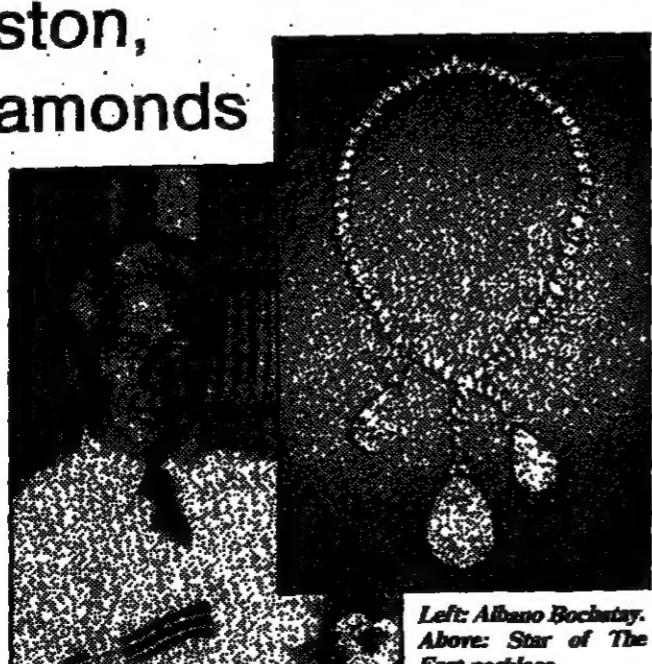


Harry Winston, King of Diamonds

If Harry Winston had decided to establish his European headquarters in Zurich back in the early 50s, Geneva might never have reached its present status as one of the world's foremost jewelry centers. Such was the stature of the man known as the "King of Diamonds," who once explained his success: "I was born with the knowledge of jewels and the ability to finance it."

Ronald Winston, head of the firm since his father's death in 1978, is in Geneva this week for the auction of the jewels of the Duchess of Windsor, among which several major Winston pieces drew heavy pre-sale acclaim. He said his late father selected Geneva over Zurich for its combination of financial importance and French flair. "Geneva has become second only to New York as a gem-trading center. My father was prescient about such things."

After a few years of selling through an agent in Geneva, Harry Winston set up in 1955 at 24, quai du Général Guisan. That is where Albano Bochary, president of Harry Winston Europe, today oversees the activities of the four Winston divisions: raw and cut gemstones, jewelry designed and produced in the firm's work-



Left: Albano Bochary. Above: Star of The East necklace.

rooms, and individually created pieces. Winston's only locations are in New York, Geneva, Paris, Monte Carlo and Beverly Hills. "We don't have to be everywhere because we go everywhere," says the patrician Bochary. His travels take him to Gstaad, St. Moritz, Marbella, Sardinia, Cannes and London, where the firm conducts regular showings.

"Besides, everyone comes to Geneva... business... who are more likely to bring their wives because of the relaxed holiday atmosphere, and traders and personal parties with jewels to sell because of Geneva's easy access. Every important international jeweler is in Geneva,

age of 19 and quickly became an astonishing success through the simple formula of buying jewels from major estates and recutting and resetting them in contemporary styles. As one diamond dealer put it, Harry Winston started with nothing and became the biggest man in the business."

According to Bochary, "Winston invented the 40-carat emerald-cut diamond worn as a ring and convinced fashionable women such as Mrs. Evelyn Walsh McLean and the Duchess of Windsor to wear them. Metal for him was merely something to hold the diamonds. He knew how to make a stone look important by adapting the setting."

With the dramatic collapse in the prices of diamonds and other precious stones, Winston stopped buying the knock 'em dead big stones on which the firm had built its worldwide fame. "Things are beginning to pick up now because of the scarcity of truly fine stones," Bochary says. When asked if he planned to buy back the important Winston pieces coming up for sale in the Duchess of Windsor sale, he demurred. "Certainly we'd like to have some of them but the prices may be prohibitive. Some people will pay a premium because it's a Winston piece. We don't have to, because we are Winston."

The firm is still known for important stones on which Harry Winston built his reputation. The son of a small-time New York jeweler, he went into business for himself at the

The Bulgari Secret

"**T**OO many jewelers are conservative," said Bulgari president Paolo Bulgari during one of his frequent visits to Geneva. "They lack the courage to make new things."

Not so with this world-renowned Italian firm, whose timely and timeless jewels, despite their distinctiveness, resist imitation. "Ours is a continual search for creativity," explains Bulgari. "We spend a lot of time and money on research."

But that's just the beginning of the Bulgari secret. Research is not limited to digging into the rich lode of Italian silversmiths, jewelers and goldsmiths. It involves keeping in close touch with contemporary currents as well. "We surround ourselves with people from every field, not just jewelry, people of all ages and disciplines with whom we can discuss aesthetics and problems in general. In many ways it is like the Renaissance when people from everywhere came together to share ideas. Our designs are the result of a group of people working together."

The emergence of Bulgari can be traced to Sotirio Bulgari, a silversmith who came to Rome from his native Greece a little more than a century ago and set up shop on the Spanish Steps. His sons Constantino and Giorgio learned their father's craft yet



Above: Bulgari shop in Geneva. Below: Paolo Bulgari.



developed individual interests that merged in the imitable Bulgari style. Constantino's passionate interest in antiques led to an internationally recognized book on the art of Italian silversmiths, jewelers and goldsmiths, "Argentieri, Gemmari-

tho," his father insisted he involve himself in all aspects of the business. Gianni Bulgari, the most internationally visible of the brothers, ceased his active participation in the family jewelry business about a year ago to pursue more general design and communication interests through a company called High Touch. Nicola, vice president of the firm, spends about half his time in New York, where he runs the important American side of the business.

Bulgari came to Geneva in 1970 and in 1983 moved into greatly enlarged showrooms in a choice corner spot on rue du Rhône. Despite its international reach — in addition to Rome, New York and Geneva, there are stores in Paris, Monte Carlo, Milan and, since March 20, in Tokyo — Bulgari remains a small organization employing less than 200 people.

Paolo Bulgari is reluctant to use the term "fashion" when describing Bulgari designs, worried about the transitory quality it implies.

While the Bulgari style remains inviolable, the firm's artistic and mechanical ingenuity continues to startle. Steel raised to the aesthetic level of gold, diamonds used to intensify the luster of a lesser stone, ancient Greek and Roman coins in a contemporary setting, and... a few secrets.

York April 28 could break the per-carat record price for a precious stone.

In terms of sheer importance as jewelry auctions, other landmark sales include the Christie's sales of Russian crown jewels in London in 1927 and the Florence Gould collection in New York in 1983. Rayner also rates the auction of the jewels of Countess Mona Bismarck by Sotheby's in Geneva last May as a very important sale. "She and the Duchess were friends — both great ladies of their day," he said.

The Windsor sale couldn't have come at a more opportune time for the Hôtel Beau Rivage. Sotheby's recently moved its permanent Geneva headquarters there from the Old Town. And in the weeks preceding the auction, the hotel was rushing to complete a major renovation of its lobby, installing an adjacent bar furnished with comfortable armchairs, more like an elegant living room than a hotel bar. The results make it the most glamorous hotel in town. The largest of several dinners and receptions planned around the auction was Sotheby's reception for 500 before the March 27 opening of the exhibition to the public. Gourmets who number among jewelry connoisseurs are also having a chance to sample the fare of Richard Cressac, the highly regarded chef (formerly of Guide Michelin three-star Georges Blanc on the outskirts of the French Burgundy region) whose *cuisine d'aujourd'hui* is expected to raise the status of the hotel's Chat-Botté restaurant to its previous high standing in Geneva.

The auction is also expected to give a shot in the arm to a general lackluster situation in

(Continued on page 12)

ADVERTISING SECTION

That Timeless Feeling



Classic 18-carat gold watch by Patek Philippe.

THE best-selling watch at Patek Philippe is a round-faced gold mechanical watch of classical simplicity. It is symbolic of the firm's first major shift in product strategy since its founding in 1839—a shift which capitalizes on the growing demand for high-quality watches. "You can feel it people going back to traditional values," says owner and general manager Philippe Stern.

The advertising campaign that accompanied the change in marketing strategy spells out clearly—and in black and white—the lifetime nature of a Patek Philippe watch. "We chose to take advantage of this timeless, long-lasting quality in sober advertising that talks about the real values in life," says René Birel, president of Bozell, Jacobs, Kenyon and Eckhardt, which created the

watch sales during 1986, with growth of up to 25 percent in some markets.

Dynamic growth is indeed possible at the top of the Swiss watch industry. While high-tech, low-price watches have had a serious impact on the high-volume Swiss watch industry, the mechanical watch of impeccable quality is actually growing in demand.

Seeing this, Stern and Birel decided to position Patek Philippe to take full advantage of the anti-high-tech backlash. This meant a sharp cutback in the bewildering variety of styles that comprised the Patek Philippe range. "We decided to concentrate on families of watches, each one designed to become a classic," says Stern. "We are still making jeweled watches and will continue to make unique pieces to order. That market will always exist and a house like ours must have such things."

The unique skills of Patek Philippe's master craftsmen—jewelers, chainsmiths, engravers, enamellers—are invaluable assets to the company. "We are the only people still doing enamel work and we continue to produce perpetual calendar and moon phase watches and pocket watches, chronographs with an elapsed-time counter, minute repeater watches and tourbillions. The 'grand complicated' model takes about five years to make."

Patek Philippe, founded in 1839 by Count Antoine de Patek, an exiled Polish nobleman, and Adrien Philippe, a young French watchmaker, is the only watchmaker that still has its complete production facilities in Geneva. Much of the final assembly takes place in the headquarters building on quai Général-Guisan, which also houses its showrooms. Patek Philippe recently opened a shop at 12, avenue Montaigne in Paris, the only shop outside Geneva devoted exclusively to its own products.

The Diamond Pedigree

GENEALOGY dealing is big business in Geneva.

The semi-annual auctions may make the headlines and draw the crowds, but the day-in, day-out buying and selling of jewelry and precious stones by approximately a dozen independent gem dealers generates far more total business. Some of the dealers are also retailers, while others conduct their businesses quietly from office buildings in the center of town or the *port franc* (free port). Jesse P. Wolfgang, director of Golay Fils & Stahl, falls into the former category. He owns two stores: one under the name Golay Fils & Stahl on Place des Bergues, the other, B&B, a few steps away on Quai Mont-Blanc. While the windows of these two elegant boutiques contain a glittering array of pricey jewelry and big-name retailers, Jesse Wolfgang is first and foremost a wholesaler

A resident of Switzerland for 35 of his 40 years and a Swiss citizen, Wolfgang's English is straight from the streets of New York. "A fourth-generation diamond dealer on my father's side, fifth-generation on my mother's" is how Jesse Wolfgang describes his pedigree.

His family bought Golay Fils & Stahl, established jeweler and precious stone merchants since 1837, in 1961 and Jesse started learning the business while still in his teens. "I learned from looking—and making mistakes. Gemology courses are essentially scientific and teach nothing about trading," he says. "A private dealer has an opportunity to see far more jewelry than the average retailer-distributor who might handle a few hundred pieces per year. During that same period, I see and estimate several

thousand pieces. The more you see the more you learn."

Golay Fils & Stahl accepts jewelry and gems on consignment from individuals and other dealers or purchases goods outright through sources in the United States, Far East and Middle East, where the firm has representatives. They in turn sell to individuals, dealers and retailers through this same network, charging a commission of as little as three percent compared with the usual auction house commission of ten percent. Low overhead, high volume and flexibility account for the difference.

According to Wolfgang, the recent decline of the market is over. This is reflected in the rise in price of high-quality diamonds. "Today there is a tremendous scarcity in nice things. Anything really fine or rare readily finds a buyer."

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GENEVA
GEMS

HARRY WINSTON

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ADVERTISING SECTION

GENEVA
GEMS

(Continued from page 9)

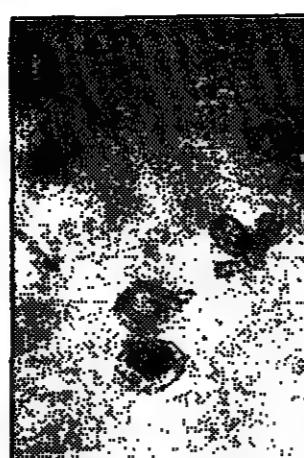
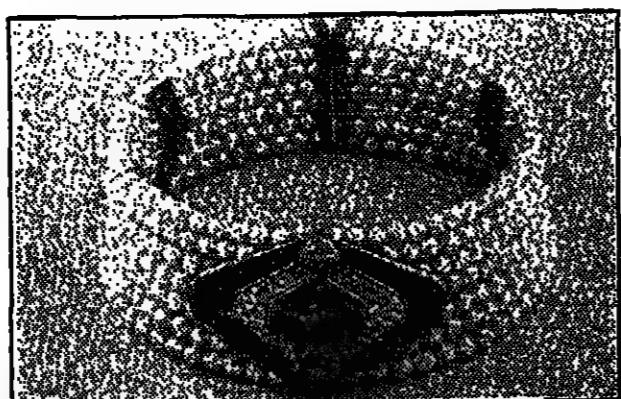
Geneva's jewelry salesrooms. Following a meteoric rise in sales from 1972 to 1985, when booming petroleum prices resulted in staggering jewelry purchases by big spenders from the Gulf States, there have been recent dramatic drops both in prices and in number of purchasers. "You definitely feel the loss of the Arab market," said diamond dealer David Gol, one of the biggest in the business. "There are a lot of Americans buying right now, but it's nothing like the Arabs. And the Arabs who are buying are buying more conservatively."

Diamond dealers note that prices for first-quality stones have been moving up in recent months, however, due in part to a general scarcity of what Gol calls really fine goods.

"There is a dramatic shortage of quality jewelry on the market today," confirms Hans Nadelhofer, director of Christie's in Geneva. Nadelhofer is preparing an important sale which will take place May 9-14 at the Hôtel Richemond. Among exceptional pieces to be auctioned are the Pelegrina pearl that once belonged to the Joussoupoft family of czarist Russia, a massive 1930s diamond tiara made by Cartier, and a rare duo of Colombian emeralds and a coral chimera bracelet by Cartier that belonged to Daisy Fellowes, an international socialite of the 1930s.

Prestigious auctions and the scarcity of choice items are not the only factors contributing to healthier market conditions in Geneva. The gem trade is most attentive to the increasing number of Japanese buyers.

This supplement was written by Mary Kriene.



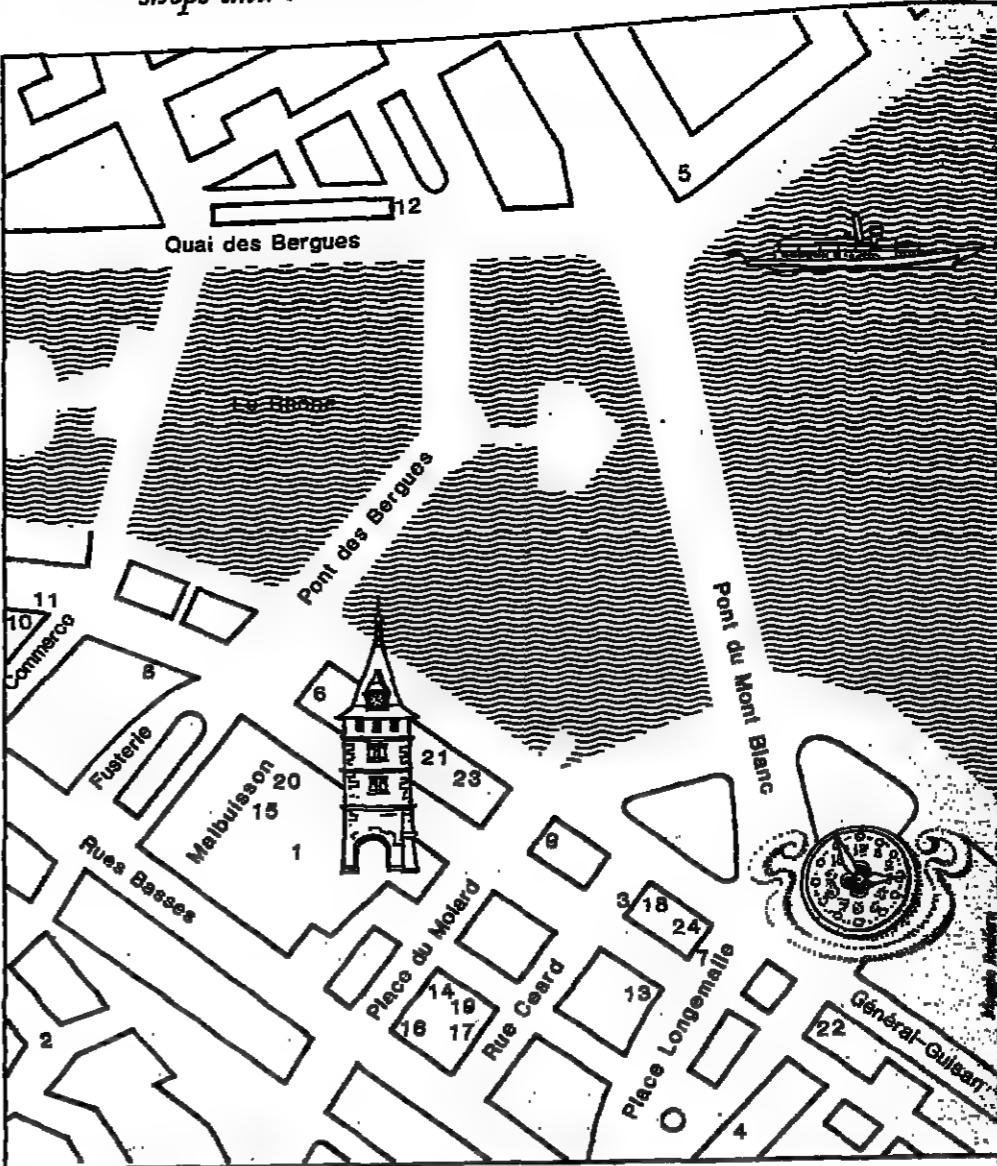
Above, a dramatic collar of pearls centered with diamonds, onyx and ruby by Marina B., who, with headquarters in Geneva since 1979, oversees a design studio in Paris, offices in Milan and Monte-Carlo, a Madison Avenue shop in New York.

Left, ribbons and bows of baguettes by Adler, who came to Geneva from Istanbul and Athens to blend an Eastern sort of opulence with European sophistication and craftsmanship.

Jewelry Shopping in Geneva

Geneva boasts more jewelry stores than banks (not counting branches) - 42 on the rue du Rhône alone. That's what makes jewelry shopping in Geneva so easy. Besides, the town is free of the hustle and bustle one finds in bigger cities. Here are some of the best-known shops and showrooms.

1. Adler, 42, rue du Rhône.
2. Gilbert Alber, 24, rue de la Comerue.
3. Les Ambassadeurs, 39, rue du Rhône.
4. Avakian, 1, rue de la Fontaine.
5. B&B, 1, quai du Mont-Blanc.
6. Boucheron, 23, rue du Rhône.
7. Bucherer, 45, rue du Rhône.
8. Bulgari, 30, rue du Rhône.
9. Cartier, 35, rue du Rhône.
10. Chaumet, 2, rue du Rhône.
11. Galopin, 17, rue du Rhône.
12. Golay Fils & Sahl, 31, quai des Bergues.
13. Benoît de Gossé, 86, rue du Rhône.
14. Gubelin, 1, place du Molard.
15. Kurchinsky, 15, passage Malbuisson.
16. Maxima B., 9, place du Molard.
17. Mouswad, 68, rue du Rhône.
18. Paul Philippe, 22, quai Général-Guisan.
19. O.J. Perrin, 69, rue du Rhône.
20. Plager, 40, rue du Rhône.
21. Poiny, 10, quai Général-Guisan.
22. Alexandre Reza, 47, rue du Rhône.
23. Van Cleef & Arpels, 12, quai Général-Guisan.
24. Harry Winston, 24, quai Général-Guisan.



Van Cleef & Arpels, pillar of Geneva jewelry since 1960. Directors Yvan Le Tournier and wife Liliane are world-renowned party-givers.



Cartier splits its Geneva presence between its exquisite fine jewelry collection and *Le Must de Cartier*.

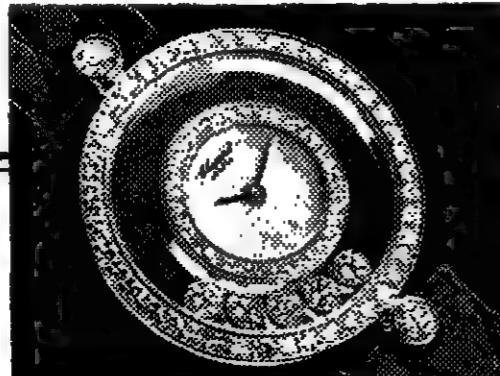
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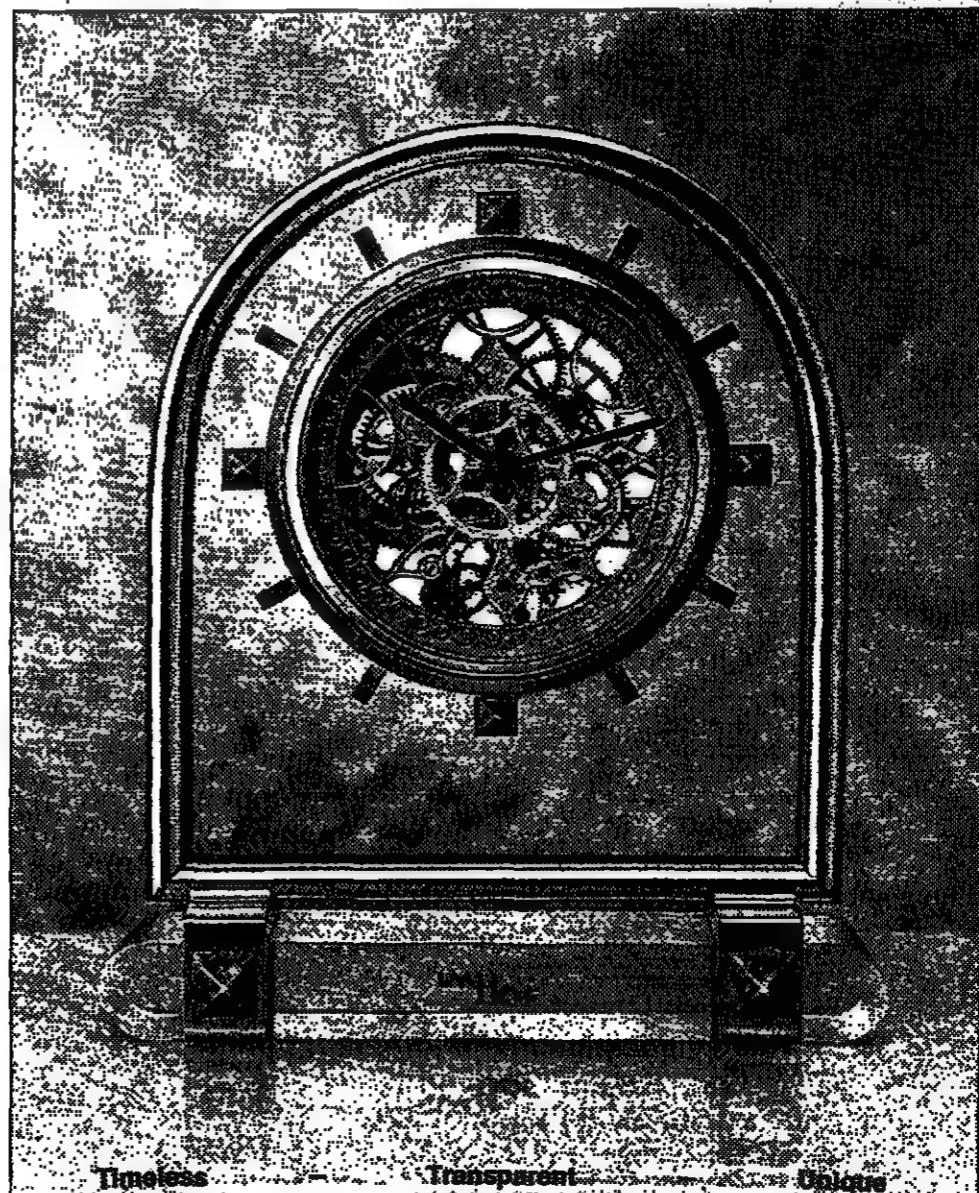
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CRITICS' CHOICE
VIENNA

European Mannerism

Mannerism in European art, viewed as the source of modern art and as a phenomenon stretching from the 16th century to the 20th, is the subject of a vast exhibition installed in the Kunsthistorisches from July 12. Under the title "Zimmer der Medusa" (The Spell of the Medusa), a total of 600 exhibits — paintings, sculptures, tapestries, drawings, lithographs, objects d'art — have been assembled from 45 museums. Ambiguity, hidden meanings, the search for a new language of form and other characteristics of mannerism are illustrated by the work of artists ranging from Parmigianino, Giambologna, Arcimboldi and their contemporaries, to the Austrian Baroque architect Johann Bernhard Fischer von Erlach, the Pre-Raphaelites and Aubrey Beardsley, Jugendstil art, furniture and objects. Dali, Picasso, Magritte and the Viennese Fantastic Realists.

PARIS

Photographic Treasures

The work and career of Hippolyte Bayard (1801-1887), perhaps the least known of the French pioneers of photography, is the subject of an exhibition opening April 9 at the Palais de Tokyo. Drawing on the archives of the Société Française de Photographie, the exhibition will include 80 photographs (this from 1842 is of Montmartre windmills), many never shown before and all made from the original negatives, documents relating to his experiments, and presentations comparing the research of Bayard with those of Niépce, Daguerre and Talbot. A concurrent exhibition, from the French Archives Photographiques, is devoted to photographs taken by Paul Nadar (one of the more celebrated photographers and caricaturists) on a two-month trip to Russian Turkistan in 1890 organized by the Compagnie Internationale des Wagons-Lits. Besides using the familiar but bulky glass plates, Nadar also took new Eastman equipment using flexible film. He returned with hundreds of pictures, a unique record of an area that has completely changed since. "Hippolyte Bayard: Naissance de l'Image Photographique" and "Paul Nadar in Turkistan," Palais de Tokyo, 13 Avenue du Président Wilson, April 9-May 31.

GENEVA

New Opera by Liebermann

"The Forest," a new opera by Rolf Liebermann based on a play by the 19th-century Russian dramatist Alexander Ostrovsky, will have its world premiere April 8 at the Grand Théâtre, which commissioned the work together with Radio-Télévision Suisse Romande. Gilbert Delio is the stage director. William Orsandi the designer, and Jeffrey Tate will conduct a cast including Anne Howells, Helen Kwon, Jane Bertie, Jean-Philippe Courtis (replacing Ruggero Raimondi, who withdrew from the production), Gilles Cachemaille and Michel Tremont. Other performances are scheduled for April 11, 13, 15, 18, 21 and 24.

LUGANO

Fabergé Fantasies

Six of the extravagant eggs created by the jeweler Peter Carl Fabergé for Czar Alexander III and Nicholas II to present to their wives at Easter (including the "Renaissance" egg of 1894 shown here) are among the 130 delicately crafted Fabergé objects from the Forbes Magazine Collection that will be shown at the Thyssen-Bornemisza Collection in Villa Favorita from April 14 to June 7. Besides the eggs, the collection includes such articles as belt buckles, buttons, parasol and cane handles, cigarette cases and the like — all small enough to put in a pocket, which may be how many Fabergé pieces came out of Russia after the revolution. Malcolm Forbes, the magazine's publisher, acquired his first Fabergé object in 1961, and since then the collection has grown to more than 300 pieces, including 12 of the eggs (as many eggs as are owned by the Queen of England and the Kremlin combined). Forbes, an avid balloonist, is scheduled to lift off from the grounds of the Villa Favorita on April 20 in a hot-air balloon shaped to resemble his most recent acquisition, the so-called "Rosebud" egg, given by Nicholas II to Alexandra in 1895.

WASHINGTON

Art by American Women

The inaugural exhibition of the new National Museum of Women in the Arts, entitled "American Women Artists, 1830-1930," comprises 124 paintings and sculptures by both well and lesser known artists during that time span. The period was chosen to include a leading family of early 19th-century artists, the Peales of Philadelphia, and the first signs of abstraction in the paintings of Katherine Dreier and Agnes Cassatt, who exhibited with the Impressionists in Paris, and one of Georgia O'Keeffe's early works, "Spring" (1922). The show opens April 7, which is also the official opening of the museum) and runs to June 14. Thereafter it will travel to the Minneapolis Institute of Arts (July 5-Aug. 30), the Wadsworth Atheneum in Hartford (Sept. 19-Nov. 15), the San Diego Museum of Art (Dec. 5-Jan. 31, 1988) and the Meadows Museum in Dallas (Feb. 20-April 17, 1988).



WEEKEND

- Josephine Baker
- Gold of the Pharaohs
- Scottish Opera's 25 years

British Boom on Broadway

For the New York theater, the rise of London as a musical-theater capital is as sobering a specter as that of the Japanese automobile industry was for Detroit.



"Starlight Express" — advance sale \$5.6 million.



"Evita" — 1,585 performances, 1979-83.



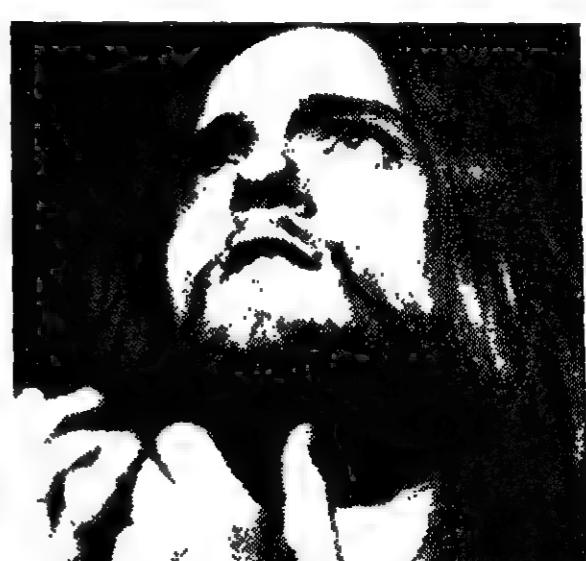
"Cats" — nearly 2,000 performances so far.



"Phantom of the Opera" — November.



"Les Misérables" — advance sale \$11.2 million.



"Jesus Christ Superstar" — 711 performances.

by Frank Rich

Ahead of the British invasion, the New York theatergoer stricken by an inferiority complex in London could perennially take solace in the one American beachhead along the West End — the musical. For all its classical glories, London has long been dependent on New York for that levitating synthesis of song, dance, drama and performance that is Broadway's one undisputed contribution to world theater. Let Yankee tourists queue up for the Royal Shakespeare Company or National Theater; the hungry locals packed the Drury Lane in Covent Garden to see replicas of Broadway entertainments stretching chronologically from "Oklahoma!" which spread the Rodgers-and-Hammerstein aesthetic revolution immediately after World War II, to the current "42nd Street," now in its third West End year.

The replicas weren't and aren't always the highest New York quality — particularly after the imported American leads were succeeded by less fleet British performers in midrun — but they still tended to tower above most English competition.

Now, however, the world seems to be turning upside down. New York has not produced a single hit musical of its own this season, and no further American musicals are even contemplated for production by summer. Instead of creating musicals that might be exported to the West End, Broadway is frantically mounting duplicates of London hits — some of which star dancing or singing English actors, such as Robert Lindsay and Celia Wilkinson, of the highest caliber. "Les Misérables," an English adaptation of a French spectacle, and "Me and My Girl," a retooled revival of a 1937 London favorite previously unknown to New York, are among the season's most popular productions with critics and the public.

According to the trade paper *Variety*, one of every three Broadway ticket-buyers in mid-March was attending one of those two shows or two other London musical imports, Andrew Lloyd Webber's "Cats" and "Starlight Express." Of 22 attractions on Broadway, these four musicals were the only productions not reduced to dumping unsold tickets at the half-price booth. The phenomenon has spread to Off-Broadway's nonprofit theaters as well: On the eve of the openings of "Les Misérables" and "Starlight," Joseph Papp's New York Shakespeare Festival, long a bastion of American theatrical chauvinism, staged the premiere of an elaborate English musical, "The Knives."

For the New York theater, the rise of London as a musical-theater capital is as sobering a specter as the awakening of the Japanese automobile industry was for Detroit. Whether it is a real cultural phenomenon or merely a passing series of coincidences is another question. One could argue that the new London musical is a triumph of merchandising and of a handful of English artists, frequently abetted by Americans, rather than a significant and lasting artistic breakthrough. Of the four London musicals currently on Broadway — and the two scheduled for next

Even in the crucial matter of songwriting

talent, the West End lags behind. The Broadway scene, however depleted, still boasts many active composers — Stephen Sondheim, Cy Coleman, Jerry Herman, Charles Strouse, John Kander and Marvin Hamlisch — while the London roster ends with only a couple of fairly obscure names following Lloyd Webber. Successful as Lloyd Webber is, his work can't yet be compared seriously with Broadway's best of any period. He's primarily a canny, melodic pastiche artist, and his music has declined sharply since he lost the lyrics of his original collaborator, Tim Rice (who part ways after "Evita") and T. S. Eliot (the unwitting lyricist of "Cats").

But it is still Lloyd Webber, more than anyone, who is responsible for the resurgence of the English musical. This may have less to do with his talent than with his ability to assimilate contemporary, main-

cal had to turn elsewhere for kinetic energy. The option chosen was spectacle: If the performers can't dance, why not let the scenery do so instead?

The modern pioneer in this technique was the late English set designer Sean Kenny, who re-created Victorian London in "Oliver!" with mobile constructs of suggestive wooden scaffolding, crowned by a bridge flown in from above. So influential was this inspired Kenny design of a quarter-century ago that it has surfaced with variations in many English and American productions ever since.

As Kenny's restrained "Oliver!" design persists in the designer John Napier's imaginative sets for "Nickelby" and "Les Misérables," so the Disneyland extravaganza of Kenny's "Blitz" surface in the environmental scenery Napier has designed for "Cats" and "Starlight Express."

of decorative frills (including most colors except for those of ash, dirt, blood and impoverished, sunless streets).

In one typically stunning transition late in Act I, the hero Jean Valjean dances lovingly with Cosette, the young child he has rescued from abusive foster parents, only to be swept aside by a thunderous burst of music and movement that advances the story's chronology by 10 years and fills the stage with the shrieking beggars and grinding horror of 19th-century Paris shuns. The co-directors, Nunn and Caird, may lose the letter of Hugo, but not the writer's intimate perspective on his characters, his narrative drive or his rage at social injustice.

Still is "Les Misérables" an indigenously English musical? Hardly. It originated in a much different form in Paris, and its principal authors, Claude-Michel Schönberg (music) and Alain Boublil (book) are Frenchmen, influenced as much by Bizet as by Kurt Weill, the Frank Loesser of "The Most Happy Fella," and, in their use of pop-opera conventions, Lloyd Webber. The show's dark, early industrial-age "Bleak House" look — from a bridge above to a trap-door entrance to the sewers below — absorbs not only "Oliver!" and the co-directors' own previous "Nickelby" but also Harold Prince productions of musicals in New York and London, including those of Sondheim's "Sweeney Todd," with its similar 19th-century characters and themes, and Lloyd Webber's "Evita."

Behind the Prince influences, one inevitably finds the staging ideas of Jerome Robbins, with whom Prince was associated as a producer before his own directorial career began. The electrifying Act I finale of "Les Misérables" — in which the full depth of the stage is used to bleed together the contrasting motivations and actions of the individual characters — recalls the staging of the "Tonight" quintet in Robbins' "West Side Story," as well as the "Hello Twelve, Hello Thirteen, Hello Love" sequence of Michael Bennett's Robbins-influenced "Chorus Line." The central image of "Les Misérables" — that of a paternal, middle-aged peasant talking to God and fleeing from an oppressive society on a revolving turntable — is that of Tevye in Robbins' "Fiddler on the Roof."

Such cinematic staging, shiver-inducing in the theater, can only be achieved by a catalytic fusion of all the musical's elements, from orchestration to lighting cues. It has nothing to do with the slavishly "American" showbiz dancing (largely tap) of most English musicals — and, until "Les Misérables," it has been well beyond London's reach. There must, of course, be more productions of that quality (and more composers, directors and choreographers to create them) if the West End is to seize the franchise that Broadway has let lapse. But in "Les Misérables" the English have for once beaten the Americans at their own game by mastering the lessons taught by Broadway directors and choreographers from de Mille through Bennett in the decades since "Oklahoma!"



Trevor Nunn rehearsing "Les Misérables" in New York.

stream pop music into his work. While Broadway's mild flirtation with rock petered out soon after the run of "Hair," Lloyd Webber kept his eye on the bulletins of Billboard's charts.

And, beginning with "Jesus Christ Superstar" in 1971, Lloyd Webber has been mindful of how that music is sold. His dehumanized look and equally metallic canned sound, "Starlight" is as heavy and remote an evening in its way as pre-electronic English musicals were in theirs. Should "Starlight" fail to draw the audiences needed to turn a profit in New York producers will think twice before spending millions of dollars on transporting similarly heartless high-tech displays from London to Broadway. "Starlight" received better reviews than "Les Misérables" in London.)

The best hope for the English musical remains the same as that of the American musical — productions in which the showmanship is at the service of emotions, drama or ideas, not just sensory bombast. What's impressive about "Les Misérables" is how its creators — many of them contributors to the antithetical "Starlight" — use the modern arsenal of musical-theater techniques to convey the very heart of Victor Hugo's novel. Unlike the Lloyd Webber spectacles, "Les Misérables" employs a prosenium set, not an amusement-park "environment," and is stripped

of most English musicals — and, until "Les Misérables," it has been well beyond London's reach. There must, of course, be more productions of that quality (and more composers, directors and choreographers to create them) if the West End is to seize the franchise that Broadway has let lapse. But in "Les Misérables" the English have for once beaten the Americans at their own game by mastering the lessons taught by Broadway directors and choreographers from de Mille through Bennett in the decades since "Oklahoma!"

WEEKEND

Death
And Life
Struggles

by Mark Hunter

PARIS — "La Storia" is not quite the film the director, Luigi Comencini, hoped it would be: a portrait of suffering at the bottom of Italian society in the crisis of war and fascism, drawn from the novel by Elsa Morante that was published in English as "History: A Novel."

Where Morante's heroine, whose name by a German soldier gives her a second, fatally weak child, and another reason to hide her Jewish lineage, was ugly, Comencini's heroine is, Claudia Cardinale. She cannot help looking beautiful, even with makeup that emphasizes the lines on her 47-year-old face. Cardinale's glamour shifts the film's center and its context. She is no longer just someone in the wrong place and time, but has been "chosen," as Comencini commented, and instead of living on the margin of society, she is in some falling middle class.

The narrative, and much of the dialogue, is drawn directly from Morante. Ida — whose mother, we learn in a flashback, changed her thus so that no one would know she was half-Jewish — finds in the offspring of her rape a love object to replace her older son Nino, played by the touchingly enthusiastic Antonio Dechi Schiavi, who joins the Fascist army to see the world. ("I'm going to Russia!" he shouts joyfully at one point.)

The new child, Giuseppe (Andrea Spada) is small and weak. "He won't live long, poor thing" says an old woman. Ida's struggle will be to keep him alive, through aerial bombardment of their neighborhood, partisan battles later in the war, and in the uneasiness of a shattered society after Mussolini's defeat. But she cannot succeed. Though her beloved, innocent walks through all danger, Giuseppe, aggravated by his growing horrors at the events around him, destroys him.

Not one of the male principals survives — nor anyone attached to them, including Bellia, the dog Nino leaves Useppe (as the child calls him) as a guardian-companion. Nino abandons the Fascist cause and becomes a partisan, a skilled and happy warrior, just as he develops after the war into an ostentatious black marketeer. "Take these cigarettes," he tells his mother, "they're better than dollars."

His colleague from partisan days, Carlo David (Lambert Wilson), whom we first met as a refugee from a Fascist prison, violates his own anarchist principles by joining Nino's band, and more gravely by kicking a wounded German soldier to death. He can never forget his crime. And on the murder of a woman he meets after the war by his ex-wife, he descends into a madness of self-hatred, from which he reveals news of his greatest secret: he is Nino's



Claudia Cardinale and Andrea Spada in "La Storia."

death at the hands of American military police. "Why are you crying?" asks Ida when the child comes home. "You know!" he accuses.

What Ida knows, and Useppe discovers, is the core of the film. She cannot protect him from the monstrosity that reality has become. And Spada, under Comencini's extraordinary direction, takes us through that horrific awakening. In one sequence of scenes, he wanders past a newsstand on the street, and stares at a photograph of the carnage of a concentration camp. Returning home, he sees the same journal on the kitchen table. Ida notices what he is doing, and urges the child, "Let's tear it up." Later at school, a teacher asks Useppe to draw the ocean. He puts down his blue crayon, picks up the red, and furiously scribbles over the paper, then rips it to pieces, like the newspaper. When the teacher intervenes, he attacks her. The violence has entered him, and he is helpless against it.

In its overall effect, the movie is a throw-back to an earlier age of cinema, when directors like King Vidor had no qualms about opening their audience's tear ducts. There's something familiar, if not comforting, about the way this film makes one weep. It took courage and a sure hand to make "La Storia," and that's what holds the viewer's attention through it.

If the Soviet refusal to release Giebel Panfilov's 1979 film, "Teme" ("The Theme") showing here as "Le Thème"), until this year has a positive side, it's that the work thereby shows its irreducible freshness. This story of a mediocre playwright whose undeserved fame nauseates him could be placed alongside other studies of men at midlife (Jack Lemmon has made a virtual career of such movies since "Save the Tiger" won him an Oscar in 1973). The comparison is illuminating. Panfilov not only avoids the twin clichs of black comedy and bathos, he magnifies his less-than-a-hero, so that other people's struggles cling around the ludicrous egotism of his own. This film, which won the Golden Bear for best film at the recent Berlin Film Festival, establishes a standard for its genre.

Kim Yessenin (the unswervingly excellent Mikhail Ulyanov) is driving a novelist friend and his worshipful mistress Svetlana (the trembling Natalia Selzneva) to the stark winter countryside where he hopes to find a theme for a hack play about Prince Igor. But even before arriving he shows that he is a spoiled brat. Nor is he above using his connections to bully a traffic cop who stops him for making an illegal turn. Leaving his companions (and a hefty pile of luggage) at the home of his admirer and mother-figure, Maria, Alexandra (Yevgeniya Neschayeva), Yessenin goes off to pour out telephone to his ex-wife, who tells him that his son has dropped out of the state screenwriters' academy to join a rock band. The people who know this man best know he's a phony, and can't hide it from himself any longer.

That does not stop him from pursuing Sasho, played with extraordinary precision and range by Irina Churikova, the director's wife and frequent collaborator.

One doesn't know, to Ulyanov's credit, if Yessenin really sees in Sasho the solution to his crisis, or merely a higher grade of pleasure than Svetlana affords.

The personal crises of Panfilov's characters bear a political meaning in the broad sense of the term. In the film's climactic scene, Yessenin, who has surreptitiously entered Sasho's apartment in her absence, cowers hidden in her kitchen as she says farewell to her lover, the local gravedigger (and a failed, bitter writer), who is emigrating to Israel. When the lover declares that he must emigrate because "everything is a lie here," Sasho demands, "You won't lie there!" The problem isn't this system or another, according to Panfilov and Alexander Chervinsky's script, but the hypocrisy of its members, from bottom to top.

That this film, like the equally masterful "Moi Drug Ivan Lapshin" (My Friend Ivan Lapshin), had to wait for the current *glasnost* conditions to be shown makes one wonder what else might be sitting in the closets of the Mostline studios.

Mark Hunter is a journalist who writes about cultural affairs in Europe.

INTERNATIONAL ARTS GUIDE

BRUSSELS: *La Fondation pour l'Architecture* (tel: 649.02.59). — To May 9: Mallet Stevens, 1886-1945: 200 architectural models and drawings, furniture and decorative objects.

ENGLAND

CAMBRIDGE: Fitzwilliam Museum.

— To May 3: The Private Degas displays the full range of Degas' work: over 100 drawings, paintings, sculptures, posters and prints from museums throughout Europe and the U.S.

LONDON:

• British Centre (tel: 538.41.41). — To April 26: Russian Style 1700-1920: Court and Country Dress from the Hermitage. 120 costumes and fashion accessories, including Imperial wardrobes, from the Hermitage Museum in Leningrad.

— To April 20: 200 paintings, drawings and illustrations by Ilya Chashnik, called Russia's most popular contemporary artist.

• Hayward Gallery (tel: 928.57.08).

— To June 7: Le Corbusier: Architect of the Century, includes models of Le Corbusier's major buildings and projects, photographs, working drawings, paintings, sculpture, tapestries, enamels and furniture.

• Royal Academy of Arts (tel: 734.98.52).

— To June 21: From Byzantium to El Greco: Icons and Frescoes from Greece.

— To April 5: British Art in the Twentieth Century traces the development of the British art beginning in 1910 with the first exhibition of Post-impressionist paintings in England and includes works by Bloomsbury artists, the Vorticists, Henry Moore, Francis Bacon, Ben Nicholson and Anthony Caro.

• Tate Gallery (tel: 821.13.13).

— To June: British and American

Pop Art: prints from the Tate's collection, including works by Peter Blake, Patrick Caulfield, David Hockney, Jasper Johns, Roy Lichtenstein, Claes Oldenburg, and Andy Warhol.

FRANCE

PARIS: • Bibliothèque Nationale (tel: 42.61.82.83).

— To May 3: The Human Form: 341 engravings by Rembrandt from the Bibliothèque Nationale's collection.

• Espace Photographique (tel: 42.86.87.89).

— To May 3: Weegee, New York 1935-1960. A retrospective of the celebrated New York photojournalist Arthur Fellig.

• Ecole des Beaux-Arts (tel: 42.60.34.57).

— To May 10: Matisse: Rhythms and Line: 400 drawings, prints and book designs by Matisse from museums and collections in France and abroad.

— To May 3: Istanbul, Illuminating the City, focuses on five centuries of Ottoman architecture and includes drawings, photographs, and architectural models.

• Grand Palais (tel: 42.61.54.10).

— To May 25: Le troisième œil de Jacques-Henri Lartigue: photographs, 1902-1928.

• Musée Carnavalet (tel: 42.72.21.13).

— To April 26: A Century of Parisian Life: 500 engravings and photographs of Paris from 1843-1944.

• Musée d'Art Moderne (tel: 47.23.61.27).

— To May 10: Retrospective of the work of Dutch painter Cesar Domela.

• Musée du Petit Palais (tel: 42.65.12.73).

— To May 17: Northern Light: 170 works by Scandinavian artists, 1885-1905.

GERMANY

BONN: • Kunstmuseum.

— To June: British and American

Pop Art: prints from the Tate's collection, including works by Peter Blake, Patrick Caulfield, David Hockney, Jasper Johns, Roy Lichtenstein, Claes Oldenburg, and Andy Warhol.

ITALY

• Palazzo Pitti (tel: 21.34.40).

— To June 30: The Collections of the 20th Century: works by Italian artists 1915-1945.

• Palazzo Strozzi.

— To May 4: Exhibited 17th century Florence, the exhibition brings together over 500 works (paintings, drawings, sculpture and engravings) by 63 artists of the Florentine school.

• MILAN:

• Pinacoteca di Brera.

— To May 10: 47 Impressionist paintings on loan from American museums.

• ROMA:

• Galleria Nazionale d'Arte Moderna (tel: 80.27.51).

— To April 12: Retrospective of

the work of Domenico Gnoli: 80 paintings, 120 sketches, sculptures and engravings from museums and private collections.

VENICE:

• Palazzo Grassi (tel: 710.711).

— To May 31: Ettore Arambaldi: 16 paintings by the Lombard artist Giuseppe Arambaldi (1527-1593) with 300 similar surrealist, cubist and fantasy portraits by later artists.

THE NETHERLANDS

• Stedelijk Museum (tel: 573.29.11).

— To April 12: A retrospective of Bauhaus artist Oskar Schlemmer (1888-1943) which features examples of the artist's paintings, sculpture, drawings, theatrical set design and costumes.

• Van Gogh Museum (tel: 020.76.48.81).

— To April 12: Paintings and photographs by the Swedish dramatist August Strindberg.

— To May 30: Works by Delacroix, Millet, Courbet and Impressionists are among 30 19th-century French paintings on loan from the Metropolitan Museum of Modern Art in New York.

SCOTLAND

• National Gallery (tel: 556.89.21).

— To April 27: Portrait engravings by Robert Nanteuil (1623-1678), engraver to the court of Louis XIV.

SPAIN

• Centro de Arte Reina Sofia.

— To April 10: Touring retrospective exhibition, organized by the Museum of Modern Art in New York, of the graphic work of Jasper Johns.

— To June 7: Retrospective comprising 200 works by the Mexican painter Diego Rivera (1886-1957).

Scottish Opera's Quarter Century

by Andrew Clark

GLASGOW — On June 5, 1962, the curtain opened on a performance of Puccini's "Madama Butterfly" in the King's Theatre here: it was the birth of the Scottish Opera. The company has chosen the same work as the centerpiece of its 25th anniversary celebrations this year, culminating with a Silver Jubilee performance on June 5. Far from highlighting the links with that auspicious debut, however, the occasion is likely to pinpoint the transformation the company has undergone since its first season.

Operating at first on a part-time basis, Scottish Opera quickly established a reputation as an infant prodigy, due to its enterprising repertoire and choice of singers. By the time it moved to a permanent home in the Theatre Royal in 1975, it had given 800 performances of more than 50 operas, ranging from Verdi's "Otello" and Wagner's "Der Ring des Nibelungen" to Benjamin Britten's chamber operas and Hans Werner Henze's "Elegy for Young Lovers." Foreign tours and appearances at the Edinburgh Festival established the company as a force to be reckoned with internationally, and the people of Scotland — who had previously made do with productions by amateur forces and the occasional touring group — found they had a high-quality link with European operatic culture right on their doorstep. Scottish Opera was quickly being hailed as one of the success stories in the explosion of state-subsidized performing arts companies in postwar Britain.

But the company's rapid development and growing commitments exacted a price. In the late 1970s and early 1980s it ran into problems of management and finance, which took a heavy toll on artistic standards and morale. To ensure the company's survival, the British government eventually had to wipe off debt of more than £1 million (\$1.6 million at the current rate).

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The personal crises of Panfilov's characters bear a political meaning in the broad sense of the term. In the film's climactic scene, Yessenin, who has surreptitiously entered Sasho's apartment in her absence, cowers hidden in her kitchen as she says farewell to her lover, the local gravedigger (and a failed, bitter writer), who is emigrating to Israel. When the lover declares that he must emigrate because "everything is a lie here," Sasho demands, "You won't lie there!" The problem isn't this system or another, according to Panfilov and Alexander Chervinsky's script, but the hypocrisy of its members, from bottom to top.

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Mark Hunter is a journalist who writes about cultural affairs in Europe.



Kathryn Harries and Norman Bailey in "The Flying Dutchman."

often gives the impression of having exhausted his earlier reserves of inspiration and motivation. But his unswerving service to his home country has had an incalculable effect on the growth of musical life here, and his decision to bow out as the company's guiding force at the end of this season marks the end of an era.

His successor as music director will be the American conductor John Mauceri, whose initial task will be to improve orchestral standards, assemble a stable production team and revitalize the company's spirit. Mauceri conducts the new staging of Britten's "Billy Budd," opening on May 21, and his choice of repertoire for next season, ranging from Verdi's "Aida" to Berg's "Lulu," looks promising.

The two most recent productions — Wagner's "The Flying Dutchman" and Janacek's "From the House of the Dead" — show the company in a flattering light. John Cox's staging of the Wagner opera, sung in German, is handicapped by irrelevant and unnecessarily complex references to the technology of the industrial revolution, at the time of the work's composition; but his choreography of the chorus and well-defined direction of the principals show an experienced hand at work, resulting in a gripping example of operatic teamwork, and drawing the eye beyond the immediate surroundings to the wider symbolism.

The cast is a typical mixture of youth and experience. Kathryn Harries as Senta shows much dramatic potential, but her weighty soprano is compromised by technical shortcomings in composed passages. The Dutchman is sung with immense authority by Norman Bailey, whose long association with the role has equipped him to project the character's mystery and dignity, and whose voice has retained its warmth if not its strength. The orchestral playing is scrappy, especially in the overture, but is partly redeemed by Gibson's sense of forward momentum.

"From the House of the Dead," an almost cinematic sequence of cameos and narratives from Russian prison life, provides a triumphant conclusion to the cycle of Janacek operas that Scottish Opera has shared with the Welsh National Opera. It is not exactly box-office repertoire for Glasgow — but this brilliant English-language staging by David Pountney, the company's former director of productions, surmounts the work's difficulties with an acute eye for its grim contemporary relevance and an insight into the "divine spark" Janacek saw in every creature. The performance, lasting two hours without

NYSE Most Actives						
Vol.	High	Low	Last	Chg.	C%	
Revlon	53548	2136	1912	2126	+26	+1.2%
Schlitz	2799	2324	2124	2124	+17	+0.8%
AmEx	22127	7456	7156	7156	-3	-0.4%
AT&T	1116	7476	7156	7156	-74	-1.0%
Bethell	21707	1116	1016	1016	-10	-0.9%
BellSouth	2475	2475	2475	2475	+24	+1.0%
BellTr	19007	2475	2475	2475	+24	+1.0%
Boeing	19538	2475	2475	2475	+24	+1.0%
Brown	17404	1756	1756	1756	+26	+1.5%
Holiday	15005	612	572	572	-26	-4.4%
Holiday w/	14505	1756	1756	1756	+26	+1.5%
Altria	14500	476	456	456	-26	-5.4%
Mobil	14500	476	456	456	-26	-5.4%
Carroll n	14075	572	532	532	-14	-2.5%
Sears	14075	572	532	532	-14	-2.5%

Market Sales						
Vol.	High	Low	Last	Chg.	C%	
NYSE 3 sum. volume	140,200,000					
NYSE 3 sum. volume close	214,157,240					
Amex 3 sum. volume	11,600,000					
Amex 3 sum. volume close	11,600,000					
OTC 3 sum. volume	72,819,150					
OTC 3 sum. volume close	72,819,150					
Prev. NYSE vol. up	72,819,150					
Prev. Amex vol. down	72,819,150					
Prev. OTC vol. down	72,819,150					
Prev. OTC vol. up	72,819,150					
Prev. OTC vol. down	72,819,150					

NYSE Index					
Previous	High	Low	Close	3 P.M.	
Composite	144.04	144.12	144.04	144.02	
Industrials	144.04	144.12	144.04	144.02	
Utilities	150.04	153.11	150.04	153.04	
Finance	150.04	153.11	150.04	153.04	

Thursday's NYSE Closing					
Via The Associated Press					

NYSE Diary					
Close	Prev.				
Advanced	151	159			
Declined	371	371			
Unchanged	1010	1010			
Total Issues	1049	1011			
New Highs	15	25			
New Lows	15	25			

Odd-Lot Trading in N.Y.					
Buy	Sales	Chg.	Vol.	Chg.	C%
April 1	363,375	653,144	35,716		
March 31	372,403	653,144	35,268		
March 30	371,403	653,144	35,268		
March 27	322,644	652,867	1,127		
March 26	421,258	652,671	6,100		

*Included in the sales figures

Dow Jones Averages						
Open	High	Low	Last	Chg.	C%	
Indus	2238.55	2347.59	2229.29	2220.45	+4.48	+0.2%
Transp.	1729.25	1729.25	1728.50	1728.50	+0.25	+0.0%
Utilities	1156.52	1152.00	1152.00	1152.00	+0.48	+0.4%
Finance	272.37	285.84	272.37	285.84	+29.54	+11.0%

*Included in the sales figures

AMEX Diary					
Close	Prev.				
Advanced	226	224			
Declined	247	247			
Unchanged	222	222			
Total Issues	221	221			
New Highs	11	11			
New Lows	11	11			

NASDAQ Index					
Week	Year	Close	Chg.	Age	Age
Advanced	228	230.39	+2.39	10.2	+0.2%
Declined	247	247.40	+0.01	10.2	+0.0%
Unchanged	222	222.00	+0.00	10.2	+0.0%
Total Issues	221	221.00	+0.00	10.2	+0.0%
Week	Year	Close	Chg.	Age	Age

AMEX Most Actives						
Vol.	High	Low	Last	Chg.	C%	
Wides	31246	474	474	474	-16	-3.3%
WestPub	3607	295	295	295	-16	-5.1%
HiTech	3607	295	295	295	-16	-5.1%
Echols	21	578	578	578	-16	-28.6%
Emc	361	578	578	578	-16	-28.6%
AT&T	361	578	578	578	-16	-28.6%
Abra	248	248	248	248	-16	-28.6%
World's	248	248	248	248	-16	-28.6%
Lil-Tel	157	157	157	157	-16	-28.6%

AMEX Stock Index					
Close	High	Low	Prev.		

TECHNOLOGY

U.S. Broadcasting Industry Returns Fading AM Radio

By PETER H. LEWIS
New York Times Service

DALLAS — In a demonstration of cooperation seldom witnessed in the highly competitive worlds of U.S. broadcasting and electronics, station owners and major electronics companies are banding together to save AM radio. The result, which should be apparent to listeners two years or less, will be the clear reception of high-fidelity AM signals that approach FM in sound quality.

The current gap in these sound qualities is well-known to listeners around the globe. They hear it whenever they switch from crackly, often-fading medium waveband stations using AM (amplitude modulation), which generally uses a smaller range of frequencies, to an FM (or frequency modulation) station.

"Listeners will hear full-fidelity AM radio for the first time in their lives," said Thomas R. McGinley, director of engineering for the First Media Group of Washington, which owns three AM and eight FM radio stations. Mr. McGinley and others in the broadcasting industry contend that if AM is given the same chance that FM has received to compete with such rival state-of-the-art technologies as tape and digital compact discs, the sharp decline in AM's popularity can be arrested and reversed.

Also, clearer AM signals are expected to breathe some life into AM stereo, a technology that has been stagnant since such stereo broadcasts were authorized five years ago.

Car and home radios capable of reproducing the newly expanded AM signals, which adhere to a voluntary standard called NRSC for the National Radio Systems Committee that devised and promoted it, were unveiled here this week at the annual meeting of the National Association of Broadcasters.

Owners of AM stations, as well as casual listeners, seemed to brighten considerably as they heard the new sound of AM. "It's a great step in the right direction," said Frank McCoy of WGC

Radio makers
muffled AM stations
by reducing their
frequency range.

Only a decade ago more people listened to AM radio than to FM. Today FM is far the dominant format, attracting three out of four listeners and, as a result, the lion's share of advertising revenue and station investment.

The change came with the listener's growing preference for high-fidelity and stereo sound, which were not available on AM.

Although AM radio can broadcast over greater distances than FM, it is noisy. Unlike FM, it picks up interference from power lines, lightning and other man-made and natural phenomena, and it is also susceptible to splatters of overlapping signals from adjacent stations on the radio dial.

Adding to the problem is the tendency of AM station managers to "pre-emphasize" the high-frequency signals of their stations, in an attempt to make the treble range sound brighter. But often, if this emphasis overpowers the receiver, the signal slopes over to weaker stations, adding aching heavy-metal drumsbeats to a delicate classical piano concerto, for example.

But the station managers persist, because the makers of AM radios, in an effort to reduce noise in the increasingly crowded AM spectrum, started narrowing the effective sound reproduction capabilities of AM sets in the 1960s. They used frequency bandwidths of 5 kilohertz or less, even though AM was capable of producing signals of much higher fidelity. In effect, they put mufflers on the radios, cutting off the high-end frequencies.

In January, the NRSC committee formally adopted a proposal calling for a voluntary, standardized pre-emphasis by the stations and a matching de-emphasis of signal by radio makers, as well as a voluntary 10-kHz bandwidth limit on AM broadcasts.

Thomas B. Keller, director of science and technology for the NAB, said most member stations have enthusiastically embraced the NRSC standard in the last two months. And, he said, Delco and other major radio makers have said they will implement the NRSC standard, "a rather simple process," in sets by January 1988.

Currency Rates

Currency Rates									
April 2									
	U.S.	£	DM	FF	Yen	DM	FF	Yen	DM
Australia	1.385	3.085	112.05	33.05	1,080	1.488	133.35	148.35	1.488
Brussels	27.85	45.578	260.764	42.22	2,994	18.50	247.00	247.00	18.50
Frankfurt	1.387	3.101	112.05	33.05	1,080	1.489	133.35	148.35	1.489
London	1.387	3.085	112.05	33.05	1,080	1.489	133.35	148.35	1.489
Paris	120.00	267.29	712.85	214.18	—	61.23	244.18	262.57	8.67
Yen	—	—	—	—	—	—	—	—	—
New York	—	—	—	—	—	—	—	—	—
Peru	4.891	9.628	2.2024	—	—	4.871	2.045	14.07	3.985
Tokyo	147.25	341.65	88.49	24.21	712.85	14.08	220.24	220.24	14.08
Yen	—	—	—	—	—	—	—	—	—
Switzerland	1.384	3.079	112.05	33.05	1,080	1.488	133.35	148.35	1.488
U.S. dollar	1.381	3.072	112.05	33.05	1,080	1.488	133.35	148.35	1.488
SDR	127.00	267.29	712.85	214.18	—	61.23	244.18	262.57	8.67
DM	—	—	—	—	—	—	—	—	—
FF	—	—	—	—	—	—	—	—	—
Yen	—	—	—	—	—	—	—	—	—
Francis Bouygues	—	—	—	—	—	—	—	—	—
Jean-Luc Lagardere	—	—	—	—	—	—	—	—	—

Britain Sells Arms Concern

BAe to Pay £190 Million

LONDON — Britain's Defense Ministry agreed Thursday to sell the state-owned armaments maker, Royal Ordnance, to British Aerospace PLC for £190 million (\$305 million) in a transaction assailed by the political opposition.

Defense Secretary George Younger said the sale would end uncertainty for the 15 Royal Ordnance factories and open opportunities for expansion, which he said was only available in the private sector.

The opposition Labor Party attacked the decision, saying the company was being sold too cheaply.

Mr. Younger said the sale, the latest of a state enterprise by Prime Minister Margaret Thatcher's Conservative Party government, would be accompanied by an offer of free shares to the employees of Royal Ordnance. The free shares will cost the government about £100 million.

BAe had been competing against a rival offer from an engineering group, GKN PLC, to buy the factories, which produce explosives, small arms and rocket parts.

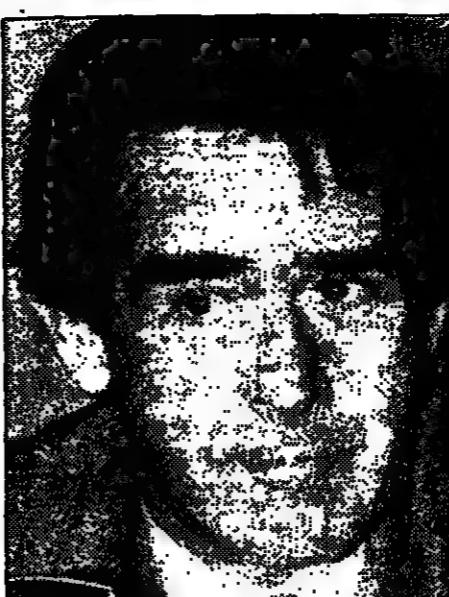
The commission is expected to announce the winner early next week.

The battle began six months ago, shortly after the government of Prime Minister Jacques Chirac decided to privatize TF1 as part of its economic reform program, in which many leading industrial companies, banks, insurance and communications groups are being returned to private ownership.

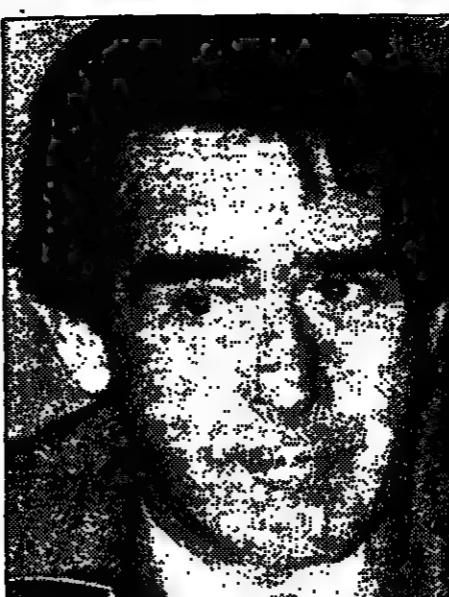
On one side are those supporting Francis Bouygues, chairman of Bouygues SA, one of the world's largest construction companies. On the other side are those backing Jean-Luc Lagardere, chairman both of Hachette SA, France's largest publishing company, and of Mairia SA, a military contractor.

On April 1, Bouygues and Hachette will be limited to a 25 percent share in the channel, while another 25 percent has been earmarked for their partners.

The prize for the winners is France's largest television station and an opportunity to diversify into the highly visible realm of television.



Francis Bouygues



Jean-Luc Lagardere

TF1 Drama — the Final Installment

Pair Near End of Fight for France's Largest TV Station

By AXEL KRAUSE
International Herald Tribune

PARIS — The final round in the battle for control of TF1, the French television station, begins Friday as the two principle contenders appear on television to defend their bids before the National Commission on Communication and Freedom, a government regulatory agency.

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The prize for the winners is France's largest television station and an opportunity to diversify into the highly visible realm of television.

I promise that when the dust settles, many traces and scars of the battle will remain.

— A source close to both sides

into the highly visible realm of television.

In addition to the 50 percent share for the new owners and their backers, 40 percent of the stock in TF1 will be offered to the public and 10 percent to employees at a price yet to be established by the Finance Ministry.

Each of the rival groups has agreed to pay 3 billion francs (\$496 million) for the controlling share of the station. That leaves 1.5 billion francs in shares for sale to individual investors and employees.

"But this is much more than just another corporate takeover, or privatization," a French banker said. "What we are seeing is a highly personalized fight to the finish by two very determined business leaders who have invested money, time, energy, their corporate resources and above all, their pride and egos."

Mr. Lagardere, who is believed to be the political support of Mr. Chirac, key members of his cabinet and of the Commission on Communication, is favored to win.

"If I had to bet, it would be on Hachette and Mr. Lagardere," said another banking source. But he added, "don't automatically rule out Bouygues. He is equally tough and determined to win.

See TELEVISION, Page 21

5 U.S. Banks Say Brazil Loans Are Delinquent

Compiled by Our Staff From Dispatches

NEW YORK — Five of the largest U.S. bank groups have designated as delinquent about \$6 billion in Brazilian loans, reducing their first-quarter earnings by about \$100 million and signaling they expect protracted debt negotiations with the country.

BankAmerica Corp., J.P. Morgan & Co., Manufacturers Hanover Corp., Chemical New York Corp. and Mellon Bank Corp. took the actions Wednesday and Thursday, placing the loans on a nonaccrual, or cash basis. Now, the banks will have to account for interest payments only when they arrive, rather than when they are due.

Any interest recorded, but not received, will thus be subtracted from first-quarter earnings.

A number of major U.S. banking companies have said in past weeks they were considering taking similar action, following Brazil's unilateral suspension on Feb. 20 of interest payments on \$68 billion in debt owed to foreign banks, out of total debt of \$109 billion, the largest in the developing world.

Banks are required to place loans on a basis when payments fall delinquent for 90 days or longer. Although this period has not expired for much of the loans, the banks said there was a chance the limit would be reached before Brazil renegotiated a debt refinancing.

BankAmerica, the nation's second-biggest banking company after New York's Citicorp, announced Wednesday that it is the largest loss of \$518 million. A.W. Clausen, its chairman and chief executive, has said BankAmerica would post an operating profit in the first quarter of 1986.

Last year the bank had a net loss of \$518 million. A.W. Clausen, its chairman and chief executive, has said BankAmerica would post an operating profit in the first quarter of 1986.

In a related development, Citicorp, which is leading the bank negotiations with Brazil, said Wednesday that Francisco Gómez, president of Brazil's central bank, would meet with banks in New York on April 10 to discuss the loan impasse.

(AP, Reuters, LAT)

IBM Unveils New Line Of Personal Computers

Other models in the new line, called Personal System/2, include an Intel 8038-based model that IBM said is two and a half times as fast as its IBM PC XT model.

The new personal computers can run a new operating system called IBM DOS Version 3.3, which is now available. The company also said it will offer a second operating system, called IBM Operating System/2, developed jointly with Microsoft Corp.

Last year IBM lost an estimated 20 percent of its share of the personal computer market. About 350 companies worldwide have copied IBM's circuitry and introduced their own low-cost personal computers.

IBM's stock came under pressure Thursday from investors who were disappointed by news that the new line of products would not be shipped until 1988.

In late trading Thursday on the New York Stock Exchange, IBM shares were down \$3 to \$148.12.

IBM, though still the leader in the PC market, has been suffering a loss of market share, particularly to American and Asian makers of low-cost imitations, or "clones," of IBM models. The new IBM line, widely known as "clone," employs new technology to make the PCs in some ways incompatible with the top-of-the-line model of the new IBM machines, which are compatible with existing IBM PCs, uses the Intel Corp. 80386 computer chip, making it the most powerful IBM PC so far. The Intel chip has already been used in desktop computers made by Compaq Computer Corp.

"It kind of put a little cramp in the investment community, in terms of when they will be shipping the new line," one said. "Everybody thought it would be sooner rather than later. A lot can happen between now and the spring of 1988."

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BUSINESS ROUNDUP

Flick Group Sale Buoys Deutsche Bank Profits

By Ferdinand Protzman
International Herald Tribune

FRANKFURT — Deutsche Bank AG's operating profit surged to record levels in 1986 with the aid of proceeds from the public sale of the former Flick industrial group, but an encore is unlikely in 1987, bank officials said.

In the first two months of 1987, business has slowed significantly, Deutsche Bank's managing board co-spokesman, F. Wilhelm Christians, said at the company's annual meeting Wednesday.

He blamed declining credit business and continued pressure on the bank's interest margin — the difference between interest earned and paid — and a sharp drop in commission earnings.

Mr. Christians said group operating profit rose 25 percent in 1986 from the previous year. Parent bank operating profit was up 35 percent.

Like most West German banks, Deutsche Bank does not release op-

erating profit figures. Operating profit consists of earnings from lending, commission and fee income and profit from trading on the bank's own account.

Banking analysts estimated Deutsche Bank's group operating profit at about 7.5 billion Deutsche marks (\$4.2 billion), and parent bank operating profit at about 5 billion DM.

Deutsche Bank reported earlier this week that it would pay a dividend of 12 DM a share for 1986, unchanged from 1985, but would add a 5 DM a share bonus to reflect exceptional earnings gains from the Flick transaction.

Mr. Christians said Deutsche Bank's group partial operating profit rose 25 percent to 3.78 billion DM in 1986, from 2.92 billion DM.

Partial operating profit excludes earnings from own-account trading in securities and foreign exchange and includes spending on plant and personnel.

Calculated without the Flick sale profits, Mr. Christians said, Deutsche Bank's group operating profit was up 4.5 percent, while parent company operating profit rose 7 percent.

Deutsche Bank bought the Flick group from Friedrich Karl Flick for 5 billion DM in early 1986. The bank then combined the industrial core companies into a publicly held company, Feldmühle Nobel AG, and issued shares. That sale brought in about 7.5 billion DM, analysts believe, with Deutsche Bank's profit estimated at more than 1 billion DM.

The bank's other managing board co-spokesman, Alfred Hennhausen, said Deutsche Bank has agreed to take over the 25-percent stake in Deutsche Bank (Asia) AG, that is currently held by Creditanstalt Bankenver AG, Austria's largest commercial bank. He did not disclose details of the agreement.

Profits Are Down 74% At WestLB Subsidiary

DUSSELDORF — Westdeutsche Landesbank Girozentrale said its wholly owned Luxembourg subsidiary, WestLB International SA, posted a 74 percent decline in 1986 net profit to 12.6 million Deutsche marks (\$6.9 million) from 48.3 million a year earlier.

WestLB International will pay a 12.5 million DM dividend to WestLB, down from 47.7 million a year earlier.

Honda, in Shift, to Export to Japan

By James Risner
Los Angeles Times Service

LOS ANGELES — Nearly five years after it became the first Japanese automaker to produce cars in the United States, Honda Motor Co. is now on the verge of becoming the first to reverse the tide and export American-built cars to Japan.

The company, which last year surpassed Toyota Motor Corp. to become the top-selling Japanese car company in the United States, plans to export cars from its Marysville, Ohio, assembly complex back to Japan within the next two to three years if the exchange rate between the Japanese yen and the U.S. dollar stabilizes in its current trading range, Honda executives said.

Honda's plan seems to be one of the most dramatic examples to date of how the enormous increase in the value of the yen versus the dollar is starting to affect trade between the two nations. The yen has risen more than 60 percent in value against the dollar since September 1985, making Japanese products more expensive in world markets.

As a result, the cost advantage the Japanese have long enjoyed over American automakers has been all but eliminated, said Tetsuo Chino, president of American Honda Motor Co., Honda's North American sales arm.

Now, Mr. Chino says, Honda can produce cars just as cheaply in Ohio as in Japan.

As a result, Honda executives — convinced that the quality of their American-built cars is up to Japanese standards — are close to approving a plan under which a new generation of large, upscale passenger cars would be built in the United States for sale in America, Japan and other overseas markets.

Honda is apparently not the only Japanese company studying

the cost advantage that the Japanese have long enjoyed over U.S. automakers has been all but eliminated.

The possibility of exporting cars from America, Mazda Motor Corp. which plans to begin producing a new version of its 626 midsize sedan in a Michigan assembly plant next fall, is also reportedly considering a plan to export 626s back to Japan. "It is one of many options under study," a Mazda spokesman acknowledged.

Mr. Chino said that since the United States would be the primary market for such a large model, it would be more eco-

nomic to build it there than in Japan, where Honda is suffering from a shortage of production capacity.

"Now, Marysville's competitiveness versus our Japanese plants is increasing because of the appreciation of the yen, and because production levels there have risen to the point where we now have a more efficient, more productive operation," Mr. Chino said.

Mr. Chino declined to say how many cars it might export each year to Japan or identify which cars were under study. But Honda seems to be focusing on the next generation of its high-priced Acura Legend luxury car, since it is a large model primarily designed for the American market.

Japan won't be the first export market for Honda's U.S.-built products. The company already exports American-made motorcycles and lawn mowers around the world, and now is shipping 2,000 Ohio-built Accords annually to Taiwan, which prohibits car imports from Japan.

Although Honda executives cautioned that the Japanese export project could be canceled if the U.S. dollar stages a recovery against the yen, the plan still seems to symbolize a major breakthrough in America's ability to compete with Japan at a time when trade friction between the two nations is reaching new heights.

Perelman Group Opens Bid For Remainder of Revlon

The Associated Press

NEW YORK — Revlon Group Inc.'s major stockholder has begun a drive to take over the rest of the cosmetics giant and turn it into a private company in an acquisition valued at about \$721.5 million.

The \$18.50-a-share tender offer begun Wednesday by MacAndrews & Forbes Holdings Inc. was not a surprise. The private holding company, led by Ronald O. Perelman, who also is Revlon's chairman, said a month ago it might make an offer at that price.

Wall Street, however, indicated that it expected Mr. Perelman to raise the bid. Revlon's common stock rose 37.5 cents a share to \$19.25 — or 75 cents higher than MacAndrews & Forbes' proposal — in trading Wednesday on the New York Stock Exchange.

MacAndrews & Forbes already

controls about 16.2 million, or 29 percent, of Revlon's 55.2 million common shares and equivalents outstanding.

The cost of acquiring the remaining 39 million shares would be \$721.5 million.

MacAndrews & Forbes said its tender offer would expire April 28 unless extended, and was subject to a minimum of 28.5 million shares being tendered.

Mr. Perelman became chairman of Revlon in late 1985 after Pantry Pride Inc., a supermarket operator controlled by MacAndrews & Forbes, acquired Revlon Inc. for \$1.83 billion. The newly merged company was renamed Revlon Group.

The documents also showed that Revlon lost \$10.3 million in the fourth quarter of 1986 on revenue of \$425 million, mainly because of a \$61 million loss from discontinued operations.

CGE of France Says Earnings Rose 46% in '86

Agence France-Presse

PARIS — Compagnie Générale d'Électricité of France, due to be denationalized soon, reported Thursday that consolidated earnings rose 46 percent last year, to 1.72 billion francs (\$282.4 million), compared with 1.18 billion in 1985.

Revenues increased 3 percent, to 80.9 billion francs, from 78.55 billion in 1985.

CGE said that the results of the European subsidiaries of ITT Corp., which it purchased in December, were not included.

Profit of the parent company was 882 million francs, up 113 percent from 1985. The increase resulted mainly from the sale of shares.

The company is scheduled to be denationalized in May.

Commerzbank Plans to Set Up N.Y. Bank Unit

International Herald Tribune

FRANKFURT — Commerzbank AG, West Germany's third-largest commercial bank, plans to expand its investment banking operations in New York during 1987 by withdrawing from a joint venture with Crédit Lyonnais and opening its own investment bank.

Commerzbank's managing board chairman, Walter Seipp, said Wednesday that the plans are still in the formative stage, but indicated Commerzbank would rather establish its own investment bank in New York than acquire an existing one.

Commerzbank is currently represented in New York investment banking through EuroPartners Securities Corp., in which it holds a 40-percent stake. Crédit Lyonnais holds another 40 percent stake, while the remaining 20 percent is split among several partners.

"We believe in the long run that we must be represented in the U.S. with our own investment bank," Mr. Seipp said.

The move is part of an increased emphasis on global investment banking by Commerzbank.

Calculated without the Flick sale profits, Mr. Christians said, Deutsche Bank's group operating profit was up 4.5 percent, while parent company operating profit rose 7 percent.

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WestLB International will pay a 12.5 million DM dividend to WestLB, down from 47.7 million a year earlier.

Thyssen informs

Sound Basis

In fiscal 1985/86 Thyssen again performed successfully. All four divisions and also the holdings operated at a profit. At DM 370 million, the net income reached a gratifying level. The equity ratio increased; financial indebtedness was further reduced.

Significant rise in profits at Thyssen Industrie

The streamlining of this Thyssen subsidiary and the positive economic trends, above all in the automotive industry, generated many orders in 1986. Product development reaches far into the future. Focal points are flexible manufacturing and assembly systems, high-speed trains such as the Intercity Express and magnetic levitation technology, special-purpose ships, elevators, escalators and industrial conveying systems, environmental technology, and industrial components for machine building and the automotive industry. Business at Thyssen Industrie remains good in 1987.

Good contribution by Budd to the result

Budd's sales in 1986 were as high as in the preceding year. The good business situation has persisted. New research centers are being set up for product development. The manufac-

ture of automobile body components from SMC plastics is being expanded. A new plant with three highly modern stamping lines is under construction for the manufacture of steel automotive body parts. Budd's order situation remains stable.

Thyssen Handelsunion on expansion course

Our trading and services division performed well in 1986 although falls in prices and in the exchange rate of the US-dollar led to a considerable decline in sales. Thyssen Handelsunion has attractive market shares in its traditional main line of business, trading with bulk goods. It is also well-established in project business, and is on the way to expanding its transportation services sector. Here, the aim is to become an international logistics and distribution company.

Thyssen Edelstahl: Continuing in the black

The sales achieved by our specialty steel division in 1986 were almost at the previous year's level. The foreign subsidiaries of this Thyssen division were able to expand their market positions. The trend towards high-quality steels is continuing. Of growing importance is

the sale of tool steels and of stainless, acid- and heat-resistant steels. Here, capacity utilization is good. The expansion of the sales organization abroad is continuing.

Thyssen Stahl: Under intensified pressure to adjust

The slump in prices recorded on the steel markets since mid-1986, above all a result of dumping and dumping by foreign competitors, has intensified the pressure to adjust the production of wire rod, sections and plate. Further cuts in capacity are unavoidable in order to survive also in the future with those products that continue to be profitable.

Outlook

In the current fiscal year, three of four Thyssen divisions are operating at a profit and will also achieve good results for the fiscal year as a whole. We also expect good result contributions from our holdings. The ability of Thyssen AG to pay a dividend is ensured; the sources of earnings outside steel are being further expanded.

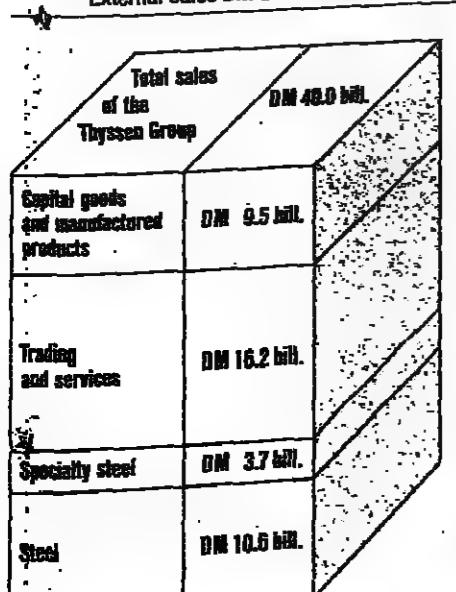
Resolutions of the stockholders' meeting

On March 27, 1987, the stockholders of Thyssen AG adopted the resolution to appropriate the net earnings of the past year for the payment of a dividend of DM 5 per nominal DM 50 share. Our domestic taxable stockholders will therefore receive a gross dividend of DM 7.81 per share, including tax credit.

Thyssen worldwide 1985/86 (October 1, 1985 — September 30, 1986)

External sales DM 32.0 billion

Work force (annual average) 127,000



Balance sheet figures	
Balance sheet total	DM 17.5 billion
Equity	DM 3.4 billion
Capital expenditure	DM 1,471 million
Depreciation and amortization	DM 1,030 million
Net income	DM 370 million
Absolute dividend amount	DM 155 million

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CURRENCY MARKETS

Dollar Falls in New York Trading

Reuters

NEW YORK — The dollar fell in New York after strengthening in recent days.

Dealers attributed the setback to remarks by the U.S. trade representative, Clayton K. Yeutter, that highlighted continuing trade tensions between the United States and Japan.

Asked during congressional testimony whether the U.S. trade deficit would improve if the value of the dollar dropped further, Mr. Yeutter said that should be a mathematical truism. But he added that markets are more complicated than that.

Later, however, the White House said Mr. Yeutter had no authority to speak about the dollar's value.

Mr. Yeutter also said he doubted that Japan would be able to avoid the planned April 17 imposition of U.S. trade tariffs on its semiconductor products.

In New York, the dollar fell to \$1.6500 from 147.10 yen Wednesday.

It also slipped to 1.8140 Deutsche marks, from 1.8305 DM; to 6.0345 French francs, from 6.0900.

London Dollar Rates

Source: Reuters

	Mon.	Tues.	Wed.
Deutsche mark	1.6505	1.6505	1.6505
French franc	6.0345	6.0345	6.0345
Swiss franc	1.5155	1.5155	1.5155
Yen	146.85	147.00	147.10
French franc	6.0900	6.0900	6.0900

and to 1.5155 Swiss francs from 1.5135. The British pound rose to \$1.6070 from \$1.5910.

M-1 Rose \$1 Billion In Most Recent Week

Reuters

NEW YORK — The basic measure of U.S. money supply known as M-1 rose \$1 billion to a seasonally adjusted \$741.0 billion in the week of March 23, the Federal Reserve said Thursday.

The previous week's M-1 level was revised to \$740.0 billion from \$740.2 billion, while the four-week moving average rose to \$739.7 billion from \$739.1 billion. M-1 includes currency in circulation, traveler's checks and checking deposits at financial institutions.

Some New York dealers said there was talk earlier in the market that the Federal Reserve was intervening to buy dollars again, yet, but others said they were not certain such intervention had occurred.

The prospect of higher U.S. interest rates had helped stop the recent slide of dollar, which began when American officials said last week that they would impose import duties of up to \$300 million on selected Japanese electronic goods.

In London, the dollar closed at 146.85 yen, up from 146.70 on Wednesday, and at 1.8215 DM, up from 1.8205.

Traders in Europe said that the dollar weakened in midday trading, but later gained support from higher U.S. interest rates.

They said the market was highly nervous, with few operators prepared to open significant fresh positions in the near term.

In other European trading, the dollar was fixed at 1.8270 DM in Frankfurt, up from 1.8188 DM on Wednesday; and at 6.0810 French francs in Paris, up from 6.0525.

TRADE: U.K. Retaliation

(Continued from Page 1)

London-based financial institutions represented in Tokyo, of which only five are believed to be banks.

"Now 58 Japanese firms here are licensed to trade in securities on the London Stock Exchange," the official said, "whereas only one wholly-owned British firm is licensed to trade in Tokyo on the Tokyo exchange."

A score of 58-to-1 is pretty bad and we want to see it changed," he said.

Mr. Howard, according to government sources, will make it clear to Japanese trade officials that Britain would act by the end of the month to deny Japanese bank and insurance companies access to its deregulated financial markets.

Trade officials indicated that if the reciprocity provisions were put in force, they would first be used to block Japanese banks or insurance companies seeking access to the London market, rather than to revoke existing licenses.

London's bourses were warned, however, that barring the Japanese would undercut the ambition of Prime Minister Margaret Thatcher to see London become the world's financial center.

They also cautioned that Tokyo might take countermeasures against any British moves.

In the C&W case, a top Japanese business leader officially unveiled plans under which the British concern would be a "bare company," in the telecommunications venture, with a major role and a seat on the new company's board.

The plan did not specify what share C&W would have, but said it could have a stake equal to those of leading Japanese participants.

Fumio Watanabe, an official of the Brazilian Democratic Movement Party \$20 billion was the financing needed to enable Brazil to achieve a 7 percent annual growth rate over the next five years.

Prime Minister Yasuhiro Nakasone of Japan has told Mrs. Thatcher that he was aware of the British government's concern that C&W receive an equitable share in the project, along with other foreign companies.

But C&W executives and British government officials said that the Japanese would sharply limit the participation of foreign concerns in the telecommunications venture.

BUSINESS PEOPLE

UPI President Quits After 5 Months

To Our Readers

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or:

Telex 612-718

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firm with headquarters in Washington, D.C., has opened its first office abroad, in Munich, with John H. Ingram as manager. Mr. Ingram, 34, is a former administrative assistant to Representative Glenn M. Anderson, Democrat of California, and a former Washington lobbyist for the American Public Transit Association.

Axis Trust AG is the new name of a Zurich fund management firm jointly owned by Britannia Arrow Holdings PLC of London and by a group of former executives from the Royal Trust Bank of Switzerland. They are headed by L.G. Merszel, 39, Axis chairman, and by Hans-Peter John, managing director. Axis Trust was known as Rorbas AG before Britannia Arrow bought in. A spokesman said the eventual aim is for Axis to evolve into an investment bank.

Magma Power Co., of southern California, named Arnold L. Johnson, a director, as president and chief executive officer. He succeeds Andrew W. Hoch, who moved up to chairman in February, succeeding B.C. McCabe Sr., who has become chairman emeritus. GF Corp., a Youngstown, Ohio, maker of office furniture, has recruited Richard D. Major as president and chief operating officer. Mr. Major, 51, comes from another office furniture maker, Hieber Inc., a division of HON Industries. At GF, he succeeds Ronald R. Anderson, 45, who owns 57 percent of the company's stock, continues as chairman and chief executive.

Merrill Recruits Chief Strategist

New York Times Service

NEW YORK — Merrill Lynch & Co., the U.S. brokerage giant, has recruited Charles L. Clough Jr. as chief investment strategist, a job in which he will decide how the average client's account should be diversified in stocks, bonds and other investments, and what sectors of the stock market to emphasize.

Mr. Clough, 44, (the name rhymes with how) joins Merrill Lynch from Cowen & Co., in Boston, where he also was chief strategist.

He succeeds Stanley D. Salwig, also 44.

He succeeds Stanley D. Salwig, also 44.

runs a leading French radio station.

"Hachette belongs to the communications family — that will help them greatly on Friday," said a government official.

Business groups supporting the Bouygues bid include Robert Maxwell, the British publisher; Editions Mondiales, a French magazine publisher; the FNAC retailing chain; Le Point, a weekly news magazine; L'Expansion, a business-oriented publisher, and Bernard Tapie, a flamboyant businessman.

In the Hachette camp are MCA Inc., a U.S. film production company; Globo Multimedia of Brazil; Caisse Nationale du Crédit Agricole, a French bank; Le Monde, a French newspaper; the AGF insurance group of France and Société Générale, a state-owned French bank.

In the end, though, Mr. Lagardere and Mr. Bouygues will play the starring roles at Friday's television hearings.

Bank Sees Canadian Dollar Settling in at 75 U.S. Cents

Reuters

TORONTO — The Canadian dollar could soon climb above the level of 77 U.S. cents but will likely settle back to about 75 cents by the end of the year, Canadian Imperial Bank of Commerce said in its 1987 economic outlook.

"We expect that over the next few months the dollar will basically hold its own," said the bank's vice president of economics, Joshua Mendelsohn. "In fact, there is a real probability that the dollar will break 77 U.S. cents."

He added that the Canadian dollar could weaken in the second half if the U.S. economy strengthens and U.S. interest rates rise.

The Canadian dollar is currently trading at about 76.4 U.S. cents.

"In the second half of the year we expect the U.S. economy to regain some momentum and we would look for U.S. interest rates to

Brazil Will Ask For New Loans Of \$20 Billion

Reuters

BRASILIA — Brazil will ask its official and private bank creditors for \$20 billion in new loans between now and 1991, its finance minister, Wilson Furtado, said Thursday.

Mr. Furtado told a meeting of the Brazilian Democratic Movement Party \$20 billion was the financing needed to enable Brazil to achieve a 7 percent annual growth rate over the next five years.

Brazil currently has a foreign debt of \$109 billion, the largest in the developing world.

On Feb. 20 it suspended interest payments on the \$68 billion commercial part of the debt, and later it suspended payments on \$15 billion in bank credits.

But C&W executives and British government officials said that the Japanese would sharply limit the participation of foreign concerns in the telecommunications venture.

Media analysts noted that Hervé Bourges, the current chairman, recently estimated that TFI could

TELEVISION: Pair Set for Final Installment in Fight for French Station

Continued from first finance page) with serious problems, and that could have a great impact on the commission's thinking."

Mr. Bouygues, 64, and Mr. Lagardere, 59, have known each other for 20 years. They were on friendly terms until the battle began.

"I would be surprised if they had hands for the cameras Friday," a commission source said.

During the past several days, both sides have been rehearsing their presentations but have declined to discuss them.

However, other business executives and consultants have provided insights into their strategies.

Both rivals are convinced that TFI, with reorganization, could be made more profitable.

In 1986, for the first time in several years, the station earned a slight profit on revenues of about 3 billion francs.

Media analysts noted that Hervé Bourges, the current chairman, recently estimated that TFI could

earn 200 million francs this year, but that estimate was widely seen as optimistic.

Both Mr. Bouygues and Mr. Lagardere also say they plan to "Europeanize" TFI, stressing the financial and production resources of their French and foreign partners.

Both groups are expected to stress plans to produce high-quality programming.

But despite their similarities, there are striking differences between the two groups and their leaders.

Bouygues is, above all, a construction company. Well over 70 percent of its estimated 1986 sales of 45 billion francs came from building houses, bridges, highways, railroads and airports around the world.

The company expects to be a major participant in the French Disneyland theme park and the Eurotunnel construction project linking Britain and France.

A year ago, Hachette acquired Europe 1 Communication, which

runs a leading French radio station.

"Hachette belongs to the communications family — that will help them greatly on Friday," said a government official.

Business groups supporting the Bouygues bid include Robert Maxwell, the British publisher; Editions Mondiales, a French magazine publisher; the FNAC retailing chain; Le Point, a weekly news magazine; L'Expansion, a business-oriented publisher, and Bernard Tapie, a flamboyant businessman.

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In the end, though, Mr. Lagardere and Mr. Bouygues will play the starring roles at Friday's television hearings.

Shares Figures are unofficial. Yearly highs and lows reflect the previous 22 weeks plus the current week, not the latest trading day. When a stock has been sold, the year's high and low range and dividend are shown for the new stock only. Unless otherwise indicated, all figures are in U.S. dollars.

Div. Yld. = dividend declared or paid in percentage of stock price; Div. Pd. = dividend paid in dollars or cents per share; Div. Decl. = dividend declared or paid in percentage of stock price; Div. Decl. Date = date of latest dividend declaration.

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SPORTS

JALAL JALAL

In NL East, It's Mets Again*The Associated Press*

NEW YORK — Manager Dave Johnson's band of bruisers also known as the New York Mets are ready to start beating up other teams in the National League East.

It worked last year.

"We had to prove to ourselves nobody could push us around," Darryl Strawberry said after a bench-clearing incident with Boston during spring training. "But we're not cocky."

Or, yes they are, although the rockiness may be a little subdued after the announcement of Dwight Gooden's drug problem.

Strawberry said he would be his final season at age 38. He's modified that stance, saying he won't decide until Sept. 1.

Hayes (305, 19 HR, 98 RBI), Wilson (15 HR, 84 RBI) and Samuel (16 HR, 78 RBI, 42 stolen bases) can hit. So can Mike

and Strawberry (27 HR, 93 RBI) power the offense.

Philadelphia Phillies

Mike Schmidt, the 1986 NL Most Valuable Player, says the Phillies now have five MVP candidates: himself, Lance Parrish, Von Hayes, Juan Samuel and Gleen Wilson. But, none of them are pitchers.

By signing Parrish (22 HR, 62 RBI with Detroit), the Phillies should cut their league-leading 23 passed balls and inability to stop runners from stealing.

Strawberry (290, 37 HR, 119 RBI) with Detroit, the Phillies should cut their league-leading 23 passed balls and inability to stop runners from stealing.

The "Mets" brand of confidence, called arrogance by critics, is punctuated by an endless stream of home-run curtain calls and high-fives.

But, give the World Series champions credit. They took over first place on April 23, won 108 games and finished 21½ games ahead of Philadelphia, the biggest bulge since divisional play started in 1969.

The Mets still have the best pitching in the game and added Kevin McReynolds to the most potent offense in the league. They also possess a relentless attack mentality to win again.

In 1987, make it New York again, followed by Philadelphia, St. Louis, Montreal, Pittsburgh and Chicago.

New York Mets

The "Mets" biggest trouble continues to occur off the field. Gooden will miss time early in the season because of his entry into a drug-abuse treatment program. During the off-season, Gooden, Ron Darling and Tim Teufel got probation because of fights with police. Gary Carter got caught in a vitamin scheme and Darryl Strawberry had marital problems.

The Big Four, minus Gooden (17-6, 2.84 ERA), will be back including Bobby Ojeda (18-5, 2.57 earned run average), new millionaire Darling (15-6, 2.81), and Sid Fernandez (16-6, 3.52).

Rick Aguilera (10-7) will step in this year. Roger McDowell (14-9, 2.22 saves) and Jesse Orosco (8-6, 21 saves) form a right-lefty combo of stoppers, although McDowell may be out until June because of a hernia operation.

World Series MVP Ray Knight (298, 11 home runs, 76 RBI) was offered less than \$1 million per season, became disgruntled and flew the coop for Baltimore. Howard Johnson and Dave Magadan will platoon at third base. McReynolds, an outfielder, (288, 26 home runs, 96 RBI, all career bests) was acquired from San Diego.

Keith Hernandez (310, 83 RBI), Carter (24 HR, 105 RBI)

Mike Schmidt

Easier, acquired from the New York Yankees.

Most likely, there will be a lot of balls flying toward Philadelphia's outfield. The Phillies ranked seventh in the league in pitching and even invited Steve Carlton to camp in hopes he could help. He couldn't.

Shane Rawley (11-7) is returning from surgery. Bruce Ruffin did well as a rookie (9-6) and Don Carman was 10-5 with a 3.22 as a starter-reliever. The Phillies got Joe Cowley (11-11 with a no-hitter) from the Chicago White Sox for Gary Redus. Steve Redoski had 29 saves.

St. Louis Cardinals

The Cardinals, who bragged in 1983 that "speed never stumps," found out last season that you still can't steal first base.

Willie McGee, Tommy Herr, Vince Coleman and Jack Clark all struggled as St. Louis airoplaned to 79-92. McGee, the 1985 NL MVP with a .353 average and 56 stolen bases, faded to 256

in 1986. Jim Gantner and Steve Garvey, Rich Larkin as Reds infielders raised in Cincinnati.

The Reds (24-24, 4.67) are the only team in the off-season — often a bad move.

Scott, the Cy Young winner, will be hard-pressed to duplicate 18-10 with major-league bests of a 2.22 ERA and 306 strikeouts. Nolan Ryan is being limited to 100 pitches per game while he started in 1986.

The year, "I can't see us winning less than 90 or 92 games," predicts right fielder Mike Marshall, who was among last year's wounded.

That should hold off defending champion Houston, whose pitching will not repeat, and San Francisco, which has improved but not enough. Cincinnati, which finished second under manager and part-time player Pete Rose, would be lucky to finish there again. San Diego and Atlanta won't score enough.

So for 1987, make it: Los Angeles, Houston, San Francisco, Cincinnati, San Diego and Atlanta.

Los Angeles Dodgers

Injuries (14 players on the disabled list) crippled Los Angeles in 1986. So did inconsistent pitching — despite Fernando Valenzuela's first 20-game season — and a major league-leading 181 errors.

Manager Tom Lasorda must have thought he was a marked man after Guerrero, Marshall, Bill Madlock, Mike Scioscia and Rob Welch suffered injuries.

Guerrero's loss was the most damaging. He hit .320 with 33 home runs and 87 RBI in 1985, but tore up a knee last spring and spent more than half the season on the disabled list, accomplishing little (246, 51 homers, 10 RBI) when he returned. Now, he says, "I'm ready to go."

Valenzuela (21-11, 3.14 earned run average) was the bright spot on a pitching staff that saw Orel Hershiser decline from 19-3 and a 2.03 ERA to 14-4 and 3.85.

Welch (7-13) had a bone spur removed from his right elbow and tired Tom Niedenfuer (6-6, 11 saves, 3.71) needed relief in the bullpen so the Dodgers acquired lefty Matt Young (13 saves) from Seattle.

The Giants, however, need to hit more. Chris Brown (317, 7 homers, 49 RBI) and Jeffrey Leonard (279, 6 homers, 42

recovered from an ankle fracture.

Kevin McReynolds and Terry Kennedy, who combined for 38 home runs and 153 RBI, have been traded away. In return, San Diego got some young prospects, all-purpose Kevin Mitchell and pitcher Storm Davis.

Tony Gwynn is great (.329, 14 HR, 59 RBI, 37 SB) but Steve Garvey, Rich Gossage and Gary Templeton are getting old.

Atlanta Braves

Last season, Atlanta finished last for the first time in six years, and prospects for significant improvement are slim among those who finished third.

Mike Krukow (20-9, 3.05) led the third-best pitching staff in the league, and Craig converted Scott Garrels from a reliever into a starter with good results (13-9, 3.11). Craig has similar high hopes for young Roger Maris and Randy Borkus.

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Pedro Guerrero

recovered from an ankle fracture.

Watch Jim Deshaies (12-5).

Relievers Dave Smith (33 saves) and Charlie Kerfeld (11-7, 7 saves) helped Houston to a team ERA of 3.15.

Glen Davis (31 HR, 101 RBI), Kevin Bass (311, 20 HR, 79 RBI) and Bill Dorsa (276, 42 SB) form a strong young nucleus.

San Francisco Giants

Manager Roger Craig brought split-fingered fastballs, excitement and victories to San Francisco, transforming the Giants from 100-game losers into contenders who finished third.

Mike Krukow (14-18, 4.88) was the best starter and Paul Assenmacher (7-3, 7 saves, 2.50) emerged as a quality reliever.

Dale Murphy remains one of baseball's most consistent power hitters (29 HR, 53 RBI). Murphy is shifting from center field to right this season to make room for Dian James, obtained from Tonti Ponzi, catcher.

The Giants, however, need to hit more. Chris Brown (317, 7 homers, 49 RBI) and Jeffrey Leonard (279, 6 homers, 42

Dwight Gooden to Be Treated for Cocaine Use**Mets Place Pitcher on Disabled List**

By Richard Justice

Washington Post Service

WASHINGTON — Dwight Gooden, the 22-year-old pitcher whose erratic behavior has worried New York Mets officials and puzzeled teammates for almost a year, has agreed to enter a treatment program for evaluation of a "drug use problem," the team announced.

The World Series champions said Wednesday that they learned of the problem as the result of a test recently administered at the request of their star pitcher.

"We're talking about cocaine," said Gooden's attorney, Charles Ehrlich. "The drug test was positive."

The Mets placed Gooden on the 15-day disabled list but a team spokesman said, "We don't know when he'll be back."

Frank Cashen, the team's general manager, said in St. Petersburg, Florida, that the test gave "some indication of past usage, but the extent is uncertain. Gooden will be evaluated and counseled on future remedial action."

In a statement read to reporters, the team said the 1985 Cy Young Award winner agreed to the program after a 90-minute meeting Wednesday with Cashen and the Mets president, Joe McNamee.

Cashen said he learned of the problem earlier this week, then took the matter to the commissioner of baseball, Peter Ueberroth. The commissioner told Cashen he would withhold disciplinary action if the pitcher underwent treatment.

Gooden's erratic behavior began when he sprained an ankle, then didn't tell the Mets for several days. He also was habitually late — or a no-show — for public appearances.



Dwight Gooden in the dugout at St. Petersburg, Florida, a day before the Mets said he would be treated for drug use.

Then, early last season, he threw a soft drink on and cursed an agent at a car rental counter at New York's LaGuardia Airport.

He was in his most serious trouble Dec. 13 in Tampa when he was charged with two felonies. He and four friends were arrested after fighting with police, who said he was angered when they pulled over his car for a minor traffic incident.

He was placed on three years probation after pleading no contest to the charges.

Gooden arrived Thursday at the Smithers Alcoholism and Treatment Center at St. Luke's Roosevelt Hospital in New York, United Press International reported.

He had been scheduled to start the Mets' opener Tuesday in Shea Stadium against Pittsburgh.

Gooden's erratic behavior began when he sprained an ankle, then didn't tell the Mets for several days. He also was habitually late — or a no-show — for public appearances.

Gooden underwent stringent health examinations before taking up the sport and are inspected before each fight.

Boxing is a natural way of channeling aggression and has enormous value, as does every other contact sport," said Dr. Adrian Whitehead, medical officer for the British Boxing Board of Control.

Sticklen, from Huddersfield in northern England, was taking part in a boys club tournament last Friday when he was stopped in the first round with a bloody nose after taking a flurry of blows.

He was standing as he was counted out, but seconds later fell into a coma in his corner and was taken to a hospital.

After an emergency operation for a brain hemorrhage, he was put on a life support machine. The machine was switched off Tuesday with his parents' consent.

Like most British amateurs, Sticklen was wearing no protective headgear when he went into the ring. Whitehead said it "would not have made a scrap of difference if he'd worn a helmet."

"Headgear does not stop the brain from taking a punch," he said.

Sticklen's father said he attached no blame for his son's death and added, "Any type of sport is better for youngsters than running wild in the streets."

But Barnett of the British Medical Association said parents and children often did not realize the dangers of boxing.

An estimated 31,700 amateurs boxed regularly in Britain last year, according to the Amateur Boxing Association, which said Sticklen's death was the amateur sport's first fatality for 16 years.

Twelve professional boxers have died of ring injuries in Britain since World War II.

Sticklen was wearing no protective headgear when he went into the ring. Whitehead said it "would not have made a scrap of difference if he'd worn a helmet."

Perhaps to protect himself against the temptation he knew was around him, Gooden agreed to testing.

If not for testing, Doctor K might have slipped deeper into the dungeons of drugs. Now, at least, he will be treated while the Mets try to get off to a good start without him.

But the Mets should be wondering about something much more important than the National League East race. They should be wondering if any of their other players are involved with drugs. In the other cocaine scandals that eventually implicated the Cardinals, the Pittsburgh Pirates and the Kansas City Royals, it was never just one player.

Something Was Hitting Dr. K Harder Than the Batters Were

By Dave Anderson

New York Times Service

NEW YORK — For nearly a year, the Mets had wondered about Dwight Gooden, wondering why he wasn't quite the same Doctor K who at age 20 had dazzled baseball with a 24-4 record, a 1.53 earned-run average and 268 strikeouts two seasons ago. Ever since he was shelved early in spring training, the Mets had wondered about his stride and his motion, even about his grip on the ball. But now the Mets know that it's a matter of his grip on himself.

Commissioner Peter Ueberroth decreed a year ago that baseball had to rid itself of drugs. Wishful thinking. As long as baseball and other sports pay million-dollar salaries, some athletes will succumb to the temptation of expensive and exotic drugs. Not that they necessarily seek the drugs. Too often, the drugs seek them. The dealers seem to know which athletes are most likely to buy.

Drug dealers now have hit Doctor K harder than any batters ever did. Batters occasionally sent him to the showers early. But the dealers have put him into rehab for perhaps two months.

After his return, Doctor K might never be the same pitcher. Or he might be as good as ever, just as Lawrence Taylor was for the Giants last season after having undergone treatment for cocaine abuse. But some questions about Doctor K might not be answered for years.

Has cocaine forever changed his body chemistry that created that spectacular 24-4 season?

Is cocaine the beginning of the end for him as a responsible citizen, as it was for Michael Ray Richardson, now banned from the National Basketball Association?

Is the money Doctor K spent on cocaine worth the millions he now money never earned?

In talking to students at his Williamsburg, Virginia, high school recently, Lawrence Taylor mentioned how having "so much money, thousands of dollars" in his pocket tempted him to try drugs. This time a year ago Taylor's future had a question mark on it.

When the Giants put together a 17-2 record as the Super Bowl XXI champions, Taylor rubbed out the question mark.

But as a pitcher, Gooden requires more precision in his craft than a linebacker does. The ability to fire his fastball up and on a batter or spin a curve over the low outside corner or keep his cool out there on the mound in a howling stadium would seem to be more affected by drugs than the ability to sack a quarterback or run down a ballcarrier. Of the seven pitchers publicly identified with cocaine use in recent years, Joaquin Andujar is the only one to have regained his effectiveness.

Vida Blue, Mike Norris, Al Holland, Rod Scurry and Sammy Sarmiento never pitched as well as they had before becoming implicated in drug use.

